Some Aspects of the Colonial Administration in Ceylon, 1855-65

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Abstract

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This work belongs to the genus of studies in British Imperial history. It attempts to illustrate the way in which the colonial system of administration functioned, by looking at the case of one Crown Colony, Ceylon, in a ten-year period in the mid-nineteenth century. Initially, a study is made of the main participants in decision making, the Colonial Office, the Governor, the Legislative Council and the principal pressure group in the island, the Planters' Association. Two particular problems, the railway and the military expenditure question are then examined to illustrate the various viewpoints of these agencies. Although these studies have their own intrinsic interest, they are used mainly to show the interaction of the varying levels of government. Lastly, some tentative conclusions are put forward concerning the nature of British colonial administration during this period.

Contents

Notes on Abbreviations and Spelling

The abbreviations used are as follows:

BPP	British Parliamentary Papers
CHBE	Cambridge History of the British Empire volume
PA Proceedings	Planters' Association Proceedings

I have tried to adopt the spelling used by contemporaries throughout and the names of places in Ceylon are reproduced as they were spelt in the document in which they were mentioned. To avoid confusion, the planter Henry C. Bird is referred to as such throughout, despite the fact that he changed the spelling of his surname to Byrde in the early 1860s.

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PART I

Chapter 1

THE GOVERNOR

The post of Governor of the island of Ceylon was a key one in the British Empire and was the pivot around which the administrative, political and social life of the colony revolved.[1] The holder of the office possessed immense prestige within the colony as the representative of the Imperial Government in the colony and he was the channel through which the desires and views of the Colonial Office and the colonial population were transmitted.

Although accused by some of wielding autocratic powers,[2] there were limits on the Governor's freedom of action, even if they were rarely shown to be stringent.[3] He was strictly bound to consult the Executive Council on all matters and, whilst not obliged to accept the advice proferred, he had to have a convincing defence to forward to the Colonial Office if he acted without support. On occasions of crisis, he was permitted to act without the prior consent of the Executive Council, but he was bound to offer an explanation of his conduct to its members at the earliest opportunity. Until 1860, the Governor controlled the subjects for debate in the Legislative

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[1] The importance of the post is indicated by the £7,000 per annum salary paid to the Governor of Ceylon. Only the Governors of Victoria and New South Wales and the Captain General and Governor in Chief of Canada were more highly paid, BPP XLV 1860, p. 123.

[2] One such critic wrote, 'The Governor, however, concentrates in his own person all the power of the State, without either restraint or responsibility. He is the dispenser of place, patronage and promotion; and has the virtual disposal of the Revenue. Every individual and every public body in the country must depend for the benefits they may desire, or for the redress they may seek, on the will and pleasure of the Governor.' Speculum, Ceylon: Her Present Condition, letter 19, p. 169

[3] A good summary of the powers of the Governor can be found in Lennox Mills, Ceylon Under the British, pp. 99-120.

Council[4] and his approval was required before legislation passed by the Legislative Council was forwarded to London to receive the Royal Assent.[5]

As head of the Civil Service in the colony, the Governor wielded power over the subsequent career of his officials. Although his powers of patronage in the colony were restricted to the lower echelons, his reports formed the basis upon which officials were judged by the Colonial Office staff.[6]

The relationship between the Governor and his superior, the Secretary of State, was a complex one. In his book on Russell's administration, Earl Grey provided a very pertinent description of the situation as he saw it.

> In proportion as Governors are more independent of any local control, it becomes necessary that some should be exercised over them from home; and in these Colonies where they are unchecked by any kind of representative institutions it is the duty of the Secretary of State to maintain a vigilant superintendence over their proceedings. Although he ought, as I conceive, to abstain from any meddling interference in the details of their administration, and to support their authority so long as they appear to deserve his confidence - and rather to advise their recall when they cease to do so than to fetter their discretion by detailed instructions - he is

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[4] Ward's original proposal that unofficial members should be allowed to put forward Bills, escaped Colonial Office attention for one reason or another, and officials were consequently somewhat surprised when the change was announced. CO54/346/86 24 October 1859. The change was incorporated in the Instructions to MacCarthy CO381/27 28 August 1860.

[5] The fact that the Governor's assent was needed before an Ordinance could be forwarded to London was the subject of complaint in 1861. With unity rarely seen, the unofficials objected to clause 64 of the Rules and Orders of the Council, but in a vote on 14 August they were defeated by nine votes to six. CO57/29.

[6] For an example of a Governor's report on members of the civil service, see CO54/374/Confidential 15 January 1863.

> yet bound to attend to complaints which may be made against their measures, and to prescribe for their guidance the general line of policy to be pursued.[7]

The railway question of 1855-6 was an issue over which the Secretary of State sought to abstain from interference, yet maintained an overall surveillance. The Governor was, therefore, able to enjoy a decisive role in the project and the staff of the Colonial Office interfered only to impose certain guidelines. In very few cases during this period did the Colonial Office staff categorically dictate policy; one of the few exceptions was over the military expenditure question when the Colonial Office itself was under strong pressure from the War Office and the Treasury, as well as from Parliament.

This policy was largely inevitable because of the great distance between London and the colony, which meant that staff in the Colonial Office were constantly some six weeks in arrears with happenings in the colony. Nor was there available in London the staff or the detailed knowledge to interfere in the affairs of the island. As a result of this, a marked reluctance is often seen in the middle years of the century to ignore the recommendations of a Governor. Grey, for example, was far more favourably disposed towards the constitutional changes suggested by George Ackland in 1848 than was Governor Torrington.[8] Yet Grey minuted that he did

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[7] Earl Grey, The Colonial Policy of Lord John Russell's Administration, vol. 1, pp. 21-2.

[8] Ackland was a partner in the Colombo firm of Ackland, Boyd and Company and was a member of the Legislative Council in 1848. He wrote two letters to the Governor, the first dealing with Ordinances which had recently been passed by the Council despite the opposition of

not think 'it would be convenient actually to adopt the changes he (Ackland) recommends contrary to the decided opinion of the Governor.'[9]

One of the Governor's most important functions was that of intermediary between the Colonial Office functionaries in London and the important groups of colonists in the island. His was the task of listening to, and assessing the strength of the views expressed by the main classes, the merchants and planters, and of ensuring that other indigenous groups who did not put forward their views, were nevertheless considered. Here the Governor's own knowledge of the island and his relationship with the leaders of these groups could be very important and could influence the reports which were relayed to the Colonial Office. Similarly, if instructions were issued from London which were likely to prove unpalatable to a section of the community, the personality of the Governor and his method of presentation could be crucial in reducing tension. The character of the Governor was of immense importance. The arrival of a Governor with strong preconceptions, such as the deeply evangelical Stewart MacKenzie, threatened repercussions immediately.[10] In the same way, a man such as Sir George

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the unofficial members. The second letter concerned the actual composition of the Council. Ackland suggested that a further three unofficials should be appointed so as to equalise the numbers of officials and unofficials, and he also advanced the view that the Governor should not play such a major role in the proceedings of the Council. The letters were forwarded to the Colonial Office by Torrington, and Grey wrote that he did not find the suggestions unworthy of consideration. See CO54/247/53 8 March 1848.

[9]Torrington dissented from the contents of the letters in his covering despatch. Ibid.

[10]J.A. Stewart MacKenzie was Governor of Ceylon from 1837-41 and achieved a measure of notoriety because of his campaign to dissociate the government from Buddhism.

Anderson, who had spent the majority of his colonial career in India might be expected to find the adjustment to an ostensibly similar but fundamentally different system of government difficult.[11] However much views on the importance of personality in history may have changed over the last century, it is difficult to avoid the conclusion that in the colonial context the character of the man on the spot, whether a Rhodes, a Gordon or a lesser known administrator, could be of immense importance. A Governor's attitude, beliefs and background could play a significant part in his decisions and his tact or lack of it, in his dealings with leading colonists, could facilitate or greatly complicate the workings of the colonial government machine. The two men who governed Ceylon during the years from 1855-65 were Sir Henry Ward and Sir Charles MacCarthy, and the lives of these men prior to their arrival in the island will now be considered.

Sir Henry Ward

Sir Henry Ward came from a literary background. He was the son of Robert Plumer Ward who had achieved a degree of fame as the author of Tremaine, possibly the first society novel and the model on which Disraeli is thought to have based Vivian Grey. Sir Henry's wife was the aunt of Algernon Swinburne and he himself was the author of the standard contemporary work on Mexico. He was a more flambuoyant character than his successor, Sir Charles MacCarthy, and is said by

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[11] Sir George Anderson was Governor from 1850-5. He had joined the service of the Bombay government in 1808 at the age of seventeen, and apart from sixteen months as Governor of Mauritius, the whole of his career, prior to his arrival in Ceylon, had been spent in India.

J.R. Weinman to have 'lived and spent like a Russian Grand Duke before the Revolution' and to have spent his way through two fortunes by the time of his arrival in Ceylon.[12] Whether or not these tales of previous extravagance are true, what is certain is that the new Governor caused some surprise in Ceylon by journeying straight to Colombo from Corfu, the scene of his previous post, without first returning to London. He may merely have been anxious to assume his new responsibilities but there were rumours which propounded an alternative theory, as MacCarthy recorded; 'I believe the truth is that he got very much entangled in Railway-matters some years ago, and that it is more convenient for him not to show in England.'[13]

Ward had enjoyed a most successful parliamentary and diplomatic career. Born in 1797 and educated at Harrow, he was appointed to the Diplomatic Service as attache to the British Minister in Stockholm and at the age of twenty-six became British Ambassador to Mexico. He held this post for only four years, before retiring from the Service in favour of domestic politics. He sat in the Commons, first as the Member for St Albans and later for Sheffield, and made a considerable name for himself as a radical young Liberal. Concerned with the state of contemporary British society, he attributed the rise of working class pressures such as Chartism, neither to bad government nor bad laws but to the economic condition of society which denied employment to so many. His solution was the Wakefieldian one, which envisaged the use of the colonies for the relief of domestic problems.

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[12] H.A.J. Hulugalle, British Governors of Ceylon, p. 89.

[13] MacCarthy to Milnes, 29 April 1855, letter 221.

The time spent in the Commons, apart from bringing him the Under-Secretaryship of the Admiralty in 1846, gave Ward many useful contacts; Henry Labouchere, Edward Bulwyer Lytton, and of course William Molesworth, were all close associates and all were later to become Secretaries of State for the Colonies. Under the former two Ward was later to serve in Ceylon.

Ward's membership of the Commons lasted until 1849 when he retired from politics. He was offered, and accepted, the post of seventh Lord High Commissioner of the Ionian Islands. These islands had first come under British sovereignty in the early part of the century when Britain was appointed the protecting power by the Congress of Vienna. At that time, Corfu was considered to possess a strategic importance similar to Gibraltar and Malta, and although the islands enjoyed a nominal independence, Britain soon established a virtual dictatorship there. Ward's immediate predecessor had been Lord Seaton, a staunch Conservative peer, who had panicked after the 1848 revolution in France and made sweeping constitutional changes immediately prior to his own departure from the island. The more liberal Ward was therefore faced with a situation in which many of his ideas had been put into practice in far from auspicious circumstances. 'Even the reformed English Parliament,' one writer commented, 'had refused to introduce the vote by ballot, or very extended suffrage. Yet, a community of half civilised Greeks was, as it were in a moment, given privileges which were considered too dangerous even for the enlightened inhabitants of Great Britain.'[14] It was clear that the Assembly considered the changes merely as

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[14] G.W.H. Fitzmaurice, Four Years in the Ionian Islands, ed. Viscount Kirkwall, vol. 1, p. 187.

stepping stones, and Ward was forced to prorogue. He toured the islands in an attempt to avert the outbreak of new disturbances, but he erred dramatically in proclaiming amnesty for those still in gaol after the disturbances of 1848. This concession was interpreted as a sign of fear and helped to precipitate a peasants revolt in Cephalonia. This Ward suppressed with a severity which compares unfavourably even with that of Torrington in Ceylon in 1848. Despite his connections in Parliament, Ward was not spared the indignity of having a small band of Liberals led by Joseph Hume, propose a motion condemning his actions. The support of the leader of the Liberal party ensured that this resolution was quite handsomely defeated but the incident is significant and indicates the suspect nature of Ward's actions under pressure.

Ward encountered tremendous hostility during his stay in Corfu. Nor did the difficulties of the High Commissioner cease with the suppression of the Cephalonian rebellion, for the Assembly elected on the basis of Seaton's reforms continued to be intractable and to demand yet more radical reform. Eventually, Ward was forced to prorogue it and again he acted unwisely, both in arbitrarily banishing newspaper editors and four members of the Assembly, and in cutting public works expenditure rather than curtail the salaries of officials as the Assembly had recommended. This Assembly was eventually dissolved but its successor proved equally unmanageable.

Ward's first <u>essaie</u> in colonial government proved a far from salutary experience and he learnt the dangers of unwise and rapid constitutional change as well as the difficulties of acting in opposition to the loudly expressed wishes of the inhabitants. There was

also much evidence of the impetuosity which was later to be seen in Ceylon. Despite these experiences, Ward arrived in Ceylon as a liberal of many years standing and this trait partly reasserted itself during his stay in the island. He showed a strong belief in the idea that economic development would automatically serve the interests of the indigenous population and that new roads and a prospering economy would bring the Ceylonese round to an acceptance of British values.[15] It is thus scarcely surprising that the construction of a railway in Ceylon became a focal point of his policy and that he looked to it to win him a permanent place in the history of Ceylon. The failure of this attempt to bring rail communication to the island will be considered later.

Sir Charles MacCarthy

The death of Sir Charles Justin MacCarthy at Spa in August 1864 was an event which shook neither the Empire nor the Colonial Office. MacCarthy was not one of the small number of colonial administrators who captured popular imagination and he died, as he lived, an almost unknown figure whose sole claim to fame was the fact that he had administered the colony of Ceylon in the interval between the better known Governorships of Sir Henry Ward and Sir Hercules Robinson.

Charles MacCarthy was born in Cork in 1812, the eldest of the six children of Mary and Dennis MacCarthy. His father died in 1833 leaving the widow and children haunted by the shadow of insolvency

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[15] Ward subscribed to what has been called the 'general assumption that increased economic developments must, in the long run, benefit not merely the Europeans whose efforts were producing it, but also the backward peoples of the territories concerned.' J.D. Legge, Britain in Fiji, p. 139.

which was to remain with them for many years. Through his mother Charles was related to the Spanish branch of the Wiseman family, for Mary was the sister of James Wiseman, a Spanish merchant. She was thus the aunt of Nicholas, later Cardinal Wiseman, first Archbishop of Westminster. Although not poor by early nineteenth century standards, the MacCarthys were nevertheless left ill-provided for and the need to pay off family debts and provide for his brothers and sisters was to become one of the motivating forces of Charles MacCarthy's life.

After attending St Edmund's College at Ware, MacCarthy went to Rome to study at the English College where cousin Nicholas was employed. At this time, Charles, himself, was destined for the priesthood. It was whilst in Rome that he met, not only Richard Monckton-Milnes,[16] with whom a lifelong friendship was formed, but also the group of exiled French Catholic intellectuals headed by the Abbé de Lamennais.[17] His friendship with the Abbé has been described by one of Lamennais's biographers as one of the most significant in his life[18] and the

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[16]Richard Monckton-Milnes was a minor poet, politician and man about town. He was MP for Pontefract for some years and was created Lord Houghton in 1862. He is now most remembered for his poem, 'Flight of Youth'.

[17]Lamennais, an important figure in French Church History, was the leader of a group which also included Montalembert and Rio. Lamennais tried to persuade MacCarthy to settle in Paris and become involved in the running of L'Avenir, the vehicle through which his views were publicised. The aims of the newspaper were religious liberty, the separation of Church and State, the freedom of the Press and universal suffrage. MacCarthy was not persuaded, however. For details of the life of Lamennais see W.G. Roe, Lamennais and England, and A.R. Vidler, Prophecy and Papacy.

[18]Roe, p. 77.

excommunication of the Abbé in 1834 may well have exacerbated MacCarthy's feeling of estrangement from the Catholic Church. Certainly the idea of entering the priesthood had gone forever by this time. Instead, MacCarthy spent the next few years wandering around Europe working from time to time as a courier or tutor and indulging himself in both material and cultural pleasures. Unfortunately, the financial position of his family was not equal to the gambling losses which he sustained and by 1840 he was forced to appeal to Monckton-Milnes for help. Financial aid was forthcoming and Charles was able to return to England to spend an unhappy summer trying to put his experiences abroad to good use by working on translations in an effort to raise money. He also began to write a series of descriptions of contemporary Germany in what he described as a 'smart, flippant style that may perhaps go down with the vulgar'.[19] In England he was cut off from the social and cultural circle with which he had associated on the Continent and this, coupled with his increasing debts, prompted him to accept a position which Monckton-Milnes secured for him as Collector of Customs on Turks Island, part of the Bahamas group.[20]

During his years on Turks Island MacCarthy succeeded, by prudent management, in both repaying his debts and remitting money to England

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[19] MacCarthy to Monckton-Milnes, 23 April 1841, letter 12.

[20] MacCarthy was obliged to undertake a short training course before taking up his position. He attempted to keep his departure a secret, because of his heavy debts, but with help from Monckton-Milnes, most creditors were satisfied prior to his departure. This meant that he then owed Monckton-Milnes a larger amount than ever. Letters 39-45 (undated but probably written in April 1842) deal with this part of MacCarthy's life.

for the upkeep of his mother and sisters.[21] Through the goodwill of the new Governor of the Bahamas who arrived in 1844 and proved to be a cousin of Monckton-Milnes, he was appointed Colonial Receiver in addition to his other duties and his salary was thus increased to £425 per annum.[22] It is clear from a study of MacCarthy's correspondence with Monckton-Milnes that the sojourn on Turks Island forced upon him a degree of self discipline which had previously been lacking. Finding that the European population of the island failed to stimulate his intellect, he devoted himself to righting the accounts and quickly became absorbed in his duties. There seems no reason to question his efficiency and he was twice mentioned favourably in despatches by the Governor to the Secretary of State.[23]

By 1846, the state of his health, which had never been good, made a period of leave a necessity. It is also clear that he felt his presence in London at that time might aid Monckton-Milnes to bring his friend's talents to the attention of the Colonial Office and secure a post for him under their auspices. MacCarthy arrived in London hoping, at the most, for a Lieutenant-Governorship of Turks Island. He left

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[21] MacCarthy to Monckton-Milnes, 25 August 1843, letter 47. In this letter MacCarthy enclosed £75. £50 of this represented half the amount which he had promised to repay Monckton-Milnes each year, and the remainder was to be forwarded by Monckton-Milnes to Mrs MacCarthy.

[22] Letter 55, 1 March 1845. Governor Matthew also offered one of MacCarthy's brothers a post as Receiver of Colonial Duties in Harbour Island, one hundred miles north east of Nassau. Although MacCarthy's letters at this time refer to his brother William, it is clear from later letters that it was actually Felix, the black sheep of the family, who accepted the position and was a predictable failure in it.

[23] He reported this fact to Monckton-Milnes in letter 48, 27 November 1843. The Governor at this time was not Matthew, but Sir Francis Cockburn.

as Auditor-General of the important Crown Colony of Ceylon, at three times his former salary. This was due partly to Monckton-Milnes's influence with Grey and partly to the development of a friendship between MacCarthy and Benjamin Hawes who was Parliamentary Under-Secretary to Grey.[24] MacCarthy had originally contacted Hawes on behalf of Governor Matthew whose personal life in the Bahamas had attracted unfavourable attention in the Colonial Office and for whom MacCarthy had promised to intercede.[25] He soon became a frequent guest at the Hawes home and he informed Milnes that the Under-Secretary had indicated to him that the talents of the younger man were wasted in his existing post. MacCarthy reported to Milnes that Hawes had told him that he would like to seduce him from the service of the Board if only to make him Governor of Turks Island .[26] By April 1847, several vacancies had occurred in high positions in Mauritius and Ceylon. Grey was anxious to infuse new blood into these colonies and was only too willing to accept Hawes's suggestion that MacCarthy be offered a post.

MacCarthy's contact with Hawes was productive in another sense, for shortly after taking up his post in Ceylon he was granted leave to return to England in order to marry Hawes's daughter, Sophia. This was not an attempt on MacCarthy's part to further his career for he

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[24] Hawes was MP for Lambeth between 1832 and 1847 and in 1848 became MP for Kinsale, His wife was a sister of I.K. Brunel.

[25] Governor Matthew had offered to pay his expenses if he would act as his agent when in London. MacCarthy refused the offer, but promised to do all he could for Matthew nevertheless.

[26] Letter 72 of 1 February 1847. The Customs Department was quite separate from the Colonial Office at that time.

had received the offer of the new post before the romance blossomed and the letters of the young couple make it clear that it was a love match.[27] After his return to Ceylon with his wife, MacCarthy began to correspond with Earl Grey privately and his connection with the Colonial Office clearly did not impede the advance of his career. Grey remained Secretary of State until February 1852 and in the same year, Hawes moved to the War Office to take up an appointment as Parliamentary Under-Secretary there. In his early years in Ceylon, his father-in-law's position undoubtedly imbued MacCarthy with a confidence and standing he might otherwise have lacked. He wrote to Monckton-Milnes in 1847 that Hawes 'seems to contemplate quite seriously my advancement to the Government of the Island in due time. Lord Torrington is to be instructed to give me every facility and listen to my advice on all points, and Emerson Tennent to receive a direct hint that any opposition of his will result unpleasantly to himself'.[28] This is certainly support of a kind which few appointed to a similar position might expect to receive.

The years 1847-50 were important ones, not only for Ceylon but also for Charles MacCarthy. Arriving in the colony in 1847, he

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[27]Not all contemporaries adopted this view. An article in the Quarterly Review which attacked Grey and the Colonial Reformers, also contained a reference to MacCarthy which read: 'The latter gentleman appears to have distinguished himself so egregiously that he was shortly afterwards, on becoming the son-in-law of Mr. Under-Secretary Hawes, appointed to one of the most lucrative offices in Ceylon - the income being increased to make it worthier of acceptance.' Quarterly Review, vol. 88, 1850/1, fn., p. 106. This was not even factually correct since MacCarthy had already assumed his post when he married Sophia Hawes.

[28]Letter 88 undated but written on a Friday morning probably in early 1848 when MacCarthy was home on leave for his wedding.

witnessed the effects of the coffee crash at first hand, a factor worth remembering when consideration is given to the policies which he later pursued. As he had returned to England for his marriage in 1848, he was away from the island during the fateful months of 1848. He was thus removed from all the ensuing recriminations. Indeed, it has been said by one modern authority that when all other officials in Ceylon concentrated only on the defence of the official record in the following years, MacCarthy alone kept his head and he was responsible for the only constructive achievement of the following four years, the Report on Fixed Establishments.[29] Certainly he was the only one of the high officials in Ceylon who did not become involved in the scandals of the succeeding years and whose career did not consequently suffer.

MacCarthy remained consistently loyal to Torrington, although there were occasions when he despaired of the Governor's actions. From his early days on the island he had played an even more important role than the nature of his office might suggest. He had found the Colonial Secretary, Tennent,[30] to be consumed by a desire to leave the island and more than willing to hand over some of his duties to the willing newcomer. MacCarthy reported to Monckton-Milnes, 'Quite simply, and as a matter of course, all decisions of every kind connected

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[29] K.M. De Silva, 'Correspondence of Grey and MacCarthy', Journal of the Royal Asiatic Society (Ceylon Branch), new series no. 10.

[30] Sir James Emerson Tennent was the ex-MP for Belfast who had supported Peel's Irish policy and the Dissenters Chapels Bill, and whose position had become somewhat difficult as a result. He therefore joined the Colonial Service.

with the Government come finally to be made by me.'[31] Even if we allow for the element of exaggeration in a letter to an ex-creditor and patron, Torrington's own persistently high opinion of MacCarthy does appear to lend weight to this view. Certainly Torrington's private letters to Grey abound with the phrase 'MacCarthy and I' and his consistently high opinion of MacCarthy acquires the more significance when contrasted with his vacillating attitude toward Tennent and other members of the administration.[32] Indeed, it is possible to view MacCarthy and Tennent as rival influences on the Governor. MacCarthy maintained an attitude of constant distrust toward the Colonial Secretary and considered him 'a very unsafe counsellor' and 'one who could in no way be relied on in an emergency'.[33] By 1849 Torrington's obsession with the attack being mounted upon him in London made him increasingly amenable to the schemes of Tennent. In particular, MacCarthy was unable to prevent Tennent's handing over to the Colombo newspapers a copy of a despatch purportedly by Colin Campbell, which claimed that Christopher Elliott had offered his services to the government. MacCarthy believed that this story was totally untrue and that Tennent was the author of the forged despatch. However, he was unable to prevent its publication which did further harm to Torrington's

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[31] Letter 81, 16 August 1847.

[32] Torrington wrote privately to Grey on 16 September 1847 that he had 'never met a man whose qualifications so commanded respect as MacCarthy'. For examples of MacCarthy's influence with Torrington see private letters from Torrington to Grey of 10 May 1849, 10 July 1849, 11 August 1849 and 5 January 1850.

[33] MacCarthy to Grey. Private letter, 14 August 1849.

cause.[34] Similarly, MacCarthy attempted to dissuade the Governor from allowing Tennent to journey to England to give evidence before the Select Committee, but Torrington bowed to Tennent's insistence, with disastrous consequences.[35]

MacCarthy succeeded Emerson Tennent as Colonial Secretary in 1851 but his relationship with Sir George Anderson, Torrington's successor, was one of the least successful of his life. Anderson's Governorship was unsatisfactory for the colony and proved an unfortunate end to the career of a long standing Crown servant; what he was unwilling to do himself he was equally unwilling to allow others to do on his behalf.[36] Undoubtedly slightly eccentric, he called MacCarthy out over an imagined insult on one occasion[37] and was reported on another to have kicked one of his numerous children along the length of the verandah of his house in front of his wondering servants.[38]

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[34]Torrington was admonished by Grey for allowing the publication of this document. MacCarthy admitted that whilst he did not like Elliott, Torrington's most hostile critic, he did not believe him to be corrupt. Letter from MacCarthy to Grey, 13 January 1850.

[35]A series of acrimonious disputes ensued with Tennent and Wodehouse, another Ceylon civil servant, producing damning private letters which both received from Torrington. Both men were dismissed in 1850. Tennent became Secretary to the Board of Trade in 1852 and Wodehouse became Governor of British Guiana (1854-61), of Cape Colony (1861-70), and of Bombay (1872-7).

[36]Letter 99 to Monckton-Milnes on 10 July 1851. MacCarthy wrote that 'I have hardly anything to do. Since my chief has virtually suspended me by insisting on doing everything himself.' Later, in 1853 MacCarthy wrote again to Milnes on the same subject describing Anderson as 'such an old fool' who would neither do anything himself nor let MacCarthy do it for him. Letter 207, 11 April 1853.

[37]Letter 214, 25 February 1854.

[38]Letter 214, 25 February 1854.

Throughout Anderson's term of office it was well known in the colony that the Governor and his Colonial Secretary were on poor terms and the blame for this situation was popularly laid at the Governor's door.[39] In view of the tact and diplomacy shown by MacCarthy in the difficult days following the 1848 rebellion, it is difficult to disagree with this view. At the same time, because the large degree of responsibility which MacCarthy had exercised as Auditor-General and Acting Colonial Secretary, it is possible that he assumed too much under Anderson. The difficulties of their relationship were most clearly seen in mid-1851 when Anderson, disliking from the start the system whereby all matters coming to him for decisions contained a note of the opinion of the Colonial Secretary, attempted to end this system and reduce the role of the Colonial Secretary to one similar to that of the Chief Secretary in India. Eventually the matter had to be referred to Grey, who ruled in favour of MacCarthy.[40]

With Governor Ward, MacCarthy's relationship was altogether happier. Whilst appreciating Ward's vigour and enthusiasm MacCarthy nevertheless considered him to be in many respects 'not a very wise man'.[41] Nor did he feel Ward to be as responsible or discreet a

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[39] 'The estrangement of the Governor and the Colonial Secretary is well known' the Ceylon Times reported on 23 July 1852.

[40] CO54/279/85 10 June 1851 contains MacCarthy's Address to the Colonial Office, Anderson's covering despatch and the draft reply from Grey.

[41] Letter 101 to Monckton-Milnes, 29 January 1856.

figure as the Governorship required.[42] Despite this the partnership was a successful one, though Ward's energy left little scope for the exercise of initiative by his second in command. It seems that Ward was quick to appreciate the help that MacCarthy with his experience of Ceylon could give and he strongly advanced MacCarthy's claims to the Governorship of Mauritius in 1856 and played a major part in securing him a knighthood in 1856.

When MacCarthy became Governor in 1860, he assumed the position with immense knowledge of the island and its needs, whereas Ward had arrived completely new to Ceylon. Ward, however, had the advantage of succeeding an ageing, unpopular and inactive Governor, and his administration was therefore destined to shine by comparison. MacCarthy was less fortunate. How each handled the main problem which beset them will be seen later.

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[42] MacCarthy wrote in letter 222 on 11 June 1855 - 'The only misgiving I have is as to his discretion. He is, I am afraid, a little hasty in forming conclusions and in acting on them when formed. And he talks rather more than is wise or safe for a man in his position, as if he were on the hustings, or in the House of Commons instead of the most slippery of all colonial governments'.

Chapter 2

THE COLONIAL OFFICE

As the second half of the nineteenth century dawned it could truly be said that the administration of overseas territories had seldom been given high priority among the functions of the Government in London. Instead it had been carried out by a series of makeshift measures. The necessity of providing some degree of central administration for the colonies had been recognised at an early date when a Council for Plantations was established by the Privy Council after the Restoration. This was soon reconstituted as the Council for Foreign Plantations which in turn was amalgamated with the Council for Trade in 1672 as the Council for Trade and Plantations. This combination of duties lasted only a short time; in the following year, supervision of Plantations reverted to the Privy Council, but the joint Council was reconstituted once more under William III. This remained in existence until 1782 when, after a short lapse, during which control was again exercised by the Privy Council, a new Committee for Trade and the Plantations was formed. A third Secretaryship of State was established in 1768 to oversee American affairs, but this was abolished following the loss of the American colonies. The increasing preoccupation of the Committee for Trade and Plantations with matters connected with trade necessitated the provision of alternative means for the supervision of colonial affairs. Accordingly, in 1801, a new Secretaryship was created to deal with both the existing and the newly acquired colonies. This Office was also concerned with War and it was not until 1854 that the functions were separated and two independent departments created. This was a long overdue innovation, for the size and diversity of the Empire had increased beyond all recognition

since the beginning of the century and colonial problems had inevitably taken second place to matters concerning war during the time the two departments were united.[1]

This brief summary of the administration of the Empire until 1854 gives some indication of the lack of priority afforded to colonial affairs during this time. The apparently almost accidental acquisition of colonies meant that little constructive thinking was devoted to deciding the manner in which the largest Empire the world had ever seen should be administered. Whatever the contribution of men such as James Stephen to the running of the colonial department from the inside, it nevertheless seems that to the Government as a whole, and certainly to successive parsimonious Parliaments, the administration of the Empire was approached with a lack of enthusiasm which verged at times on complete indifference. Colonial matters took the very lowest priority, particularly if the expenditure of money were involved.

It is within this context that the Colonial Office within the years 1855-65 must be viewed. A new department had certainly been created in name but this did not of itself necessarily indicate any increase in the importance of colonial affairs to the Government as a whole. The most talented men among those forming the government were rarely deployed to the Colonial Office, and the permanent officials there had little prestige or influence in administrative circles. The Treasury, in particular, was often very dilatory in dealing with correspondence from the Colonial Office, which clearly occupied a

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[1] Much of the information on the history and organisation of the Colonial Office has been drawn from C. Jeffries, The History and Development of the Colonial Office.

rather lowly position in its eyes.[2] This was unfortunate since the Lords Commissioners of the Treasury possessed considerable power over the affairs of a colony such as Ceylon and their agreement was required for major expenditure. The Treasury was also unpopular because of what seemed to be its penny-pinching attitude.[3] No matter how small the amount of expenditure, the Treasury was always able to suggest an economy, regardless of the long term affect of the proposal.

Considerable annoyance was often felt with the War Office also, although no indication of this was ever given in official correspondence. The Court Martial of Major O'Brien in Ceylon in 1864, and the apparently highly partial attitude adopted by the Commanding Officer of the Troops stirred deep feelings in the Colonial Office and caused some fairly astringent comments to be made on the character of the representative of the War Office in Ceylon.[4] No official protest was made however.

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[2]So slow, in fact, were the Treasury officials in replying to correspondence that Strachey suggested in a Minute on the railway that the Treasury should be told that if no specific veto was received from them by a specific date, then their consent to the proposed plan of action would be assumed. This proposal did not meet with approval in the higher echelons of the Colonial Office, where it was known that the Treasury would be offended by such a course. Minute on CO54/371/233 29 November 1862.

[3]Over the Gosset case (in which the former Surveyor-General of Ceylon was held responsible for defalcations in his department during his term of office) the Treasury showed an unmerciful adherence to the letter of the law which won them few admirers in the Colonial Office. Indeed, Elliot, the Assistant Under-Secretary of State, described the attitude of the Treasury officials as an example 'of the evidence which we constantly have of such a want either of capacity or of care in the disposal of cases in that Department as to render it impossible to feel the confidence which we ought to be able to place in the justice of their sentences.' CO54/383 Treasury to Colonial Office, 4 August 1863.

[4]This subject is dealt with in the chapter on the Governor and Military Expenditure, p. 198-202.

If the work of the Colonial Office was not aided by its fairly humble status among government departments, the internal conditions in which the work was carried out certainly did nothing to aid or encourage the staff. The actual offices were housed at numbers thirteen and fourteen Downing Street, in cramped conditions which a Select Committee on Public Offices in 1839 found to be not only inadequate but also unsafe and unworthy of repair.[5] Furthermore, the materials with which the staff worked were poor, even by contemporary standards; there was a severe shortage of maps and reference books.[6] This inevitably enhanced the importance of anyone in the department with first-hand knowledge of the colonies. It also made it more difficult for successive Secretaries of State and their Parliamentary Under-Secretaries to play a prominent role. In most cases they could not hope to rival the information which the permanent staff had acquired over the years, and there were inadequate facilities to enable them to compensate for their ignorance. Only Molesworth, who had devoted much of his life to the study of colonial administration and might have proved an influential Secretary but for his untimely death, and Newcastle, who in his second tenure of office approached his work with the advantage gained from previous acquaintance with colonial problems, were well equipped for their posts.

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[5] The Duke of Newcastle is said to have commented wryly in 1860 that 'It is to be hoped that the building will fall (for fall I believe it will) at night'. The remark is taken from the Office of Works Report, 22 October 1860, CO 323/262 and is quoted in H.L. Hall, The Colonial Office, pp. 48-9.

[6] The average amount spent on books per year between 1859 and 1866 (with the exception of one most unusual year) was £8 6s 0d. Hall, p. 49.

The Department was directed by the Secretary of State who was aided by a Parliamentary Under-Secretary and by the Permanent Under-Secretaries.[7] Next in rank were the Chief Clerk, the Senior Clerks, the Assistant Clerks and the Junior Clerks. Each despatch received in the Office was transmitted to the Senior Clerk of the geographical department into whose scope it fell, and from there progressed up the hierarchical chain from Under Secretary to Parliamentary Secretary and thence to the Secretary of State himself. Each recipient appended whatever comments seemed appropriate as the despatch passed through his hands. Once a decision had been taken by the Secretary of State, with or without attention to the advice of his subordinates, the despatch was returned to the Senior Clerk. He supervised the drafting of the reply which was submitted once more to the Secretary of State for formal approval. This system was cumbersome and time-consuming. Yet there is also much to admire in an arrangement which meant that the Secretary of State saw every despatch from the colonies no matter how trivial the content. He was thereby kept much more closely involved in the affairs of the inhabitants of the colonies than might have been imagined, since all had the right to petition him on any subject.[8]

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[7] Ceylon was dealt with in the Eastern Department after 1860 when this was created. The Senior Clerk in charge of the Department was Charles Cox and the Superintending Secretaries of State were Rogers and Chichester Fortescue.

[8] It meant that in 1860 the Secretary of State and his Under-Secretary were concerned with so apparently trivial a case as that of Mrs Braybrooke, a teacher dismissed from her post in Ceylon on the grounds of her supposedly questionable moral character. She had neither been told the reason for her dismissal nor paid the gratuity which the School Commission had recommended. She was at least able, however,

The period 1855-65 saw the Secretaryship held by no fewer than eight men whose tenure of office varied in length from the fifteen days of Herbert in 1855, to a period of almost five years by Newcastle. Newcastle was by far the most effective of these men, particularly in the first three years of his second tenure of office.[9] Of the others, Labouchere was perhaps the most influential so far as Ceylon was concerned.[10] Lytton was one of the least able, having little application and his ultimate breakdown forced an unusually large share of the burdens of his office upon the shoulders of his Parliamentary Private Secretary, the Earl of Carnarvon.[11] Of the other Parliamentary Secretaries, by far the most important was C.S. Fortescue, later Lord Carlingford, who gave indications of both ability and interest in colonial affairs. However, he probably exercised less influence over Newcastle than might have been the case had their personal relationship not been marred by their rivalry for the affections of Frances, Lady Waldegrave.[12]

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[8] to put her case before the Secretary of State, where it was viewed with considerably more sympathy than it had been by Governor Ward. CO54/360/89 10 May 1861.

[9] This was before his illness began to take effect. Details of this are given in C.C. Eldridge, 'Fifth Duke of Newcastle', PhD thesis, University of Nottingham, 1966.

[10] His decisions on the railway are considered in the chapter on the Colonial Office and the railway, p. 117 et seq.

[11] Carnarvon wrote of him: 'He has no great capacity for business, or method in the small details and arrangements of the daily work, his ideas succeed each other when he takes up keenly any subject too rapidly and his plans undergo too many changes.' This remark is quoted in Hall, p. 57, and the original source is A. Hardinge, Carnarvon, vol. 1, pp. 120-1.

[12] Fortescue eventually married Lady Waldegrave.

The Permanent Under Secretaries whose charge included Ceylon were Herman Merivale until 1860 and Frederic Rogers thereafter.[13] The former of these has suffered in reputation through comparison with his eminent predecessor, James Stephen, as well as with Rogers. His work on Ceylonese matters, however, shows him to have had a breadth of vision not always apparent in the work of Frederic Rogers, as well as a sound judgment. Originally a lawyer and then a Professor of Political Economy at Oxford University, he was appointed Under-Secretary by Grey on the retirement of James Stephen in 1847. At that time, he possessed no experience in colonial administration at all despite being the author of several works on the colonies and colonisation.[14] He left the Office in 1859 to become head of the India Office and was succeeded by Frederic Rogers who had first been appointed to the Colonial Office in 1846 as Assistant Under Secretary.[15] Like Merivale, he was a graduate of Oxford, although his earlier education had been at Eton while Merivale had been a pupil at Harrow. During his years at Oxford he was much influenced by Newman who tutored him at Oriel, and although he later broke with his sometime mentor, the Church influence was to remain strong throughout his life. In 1844, Rogers was appointed Registrar of Joint Stock Companies and in the following years founded with some friends what was to become known as the Manchester Guardian. From 1846 his work at the Colonial Office was

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[13] Information on Merivale and Rogers is drawn in particular from J.W. Cell, British Colonial Administration, pp. 15-21 and Hall, p. 72.

[14] Lectures on Colonisation and the Colonies is probably the best known.

[15] He had entertained hopes, quashed by Grey, of succeeding James Stephen.

mainly concerned with questions of emigration since he also held the appointment of Emigration Commissioner. When he succeeded Merivale in 1860 he also undertook the post of legal adviser to the Colonial Office, carrying out these duties in addition to the supervision of all work connected with the colonies of Australia, West Indies, Ceylon and the Eastern Colonies.[16]

Merivale, Rogers and the Secretaries of State whom they served, are all fairly well-known figures in the colonial history of the nineteenth century. One member of the Colonial Office staff who has remained virtually unknown and yet who arguably exercised a larger influence on the history of Ceylon in this period than any of these other men, was the office precis writer, William Strachey.[17] Strachey's 'special' subjects included Ceylonese financial affairs and he thus dealt with the problems of both the railway and military expenditure. In the years 1855-65, his grasp of the complexities of the financial situation was so strong that he was able to play a major role in the formulation of policy within the Colonial Office.[18]

Born in 1819, one of seven brothers, he was a member of a famous family. His brothers included Colonel Henry Strachey and Sir John

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[16] Stephen had done the same.

[17] For general information on William Strachey, see M. Holroyd, Lytton Strachey, A Critical biography, and C.R. Sanders, The Strachey Family.

[18] Cell, p. 23, fn. 44, describes Strachey as 'the least valuable member of the upper echelon' of the Colonial Office. This is not a view which is supported by an examination of the role played by Strachey in the formulation of policy on Ceylon in this period.

and Sir Richard, the last two of whom served in India.[19] William himself joined the Indian Civil Service in 1838 and, although he returned to England in 1843, he did not officially resign from the service until 1848, when he was appointed Precis Writer in the Colonial Office. His work appears to be thorough and the product of a clear and logical mind, yet this accords strangely with what can be learned of his personal life and habits. His nephew St Loe Strachey once described him as 'the strangest of men'[20] and one recent writer on the Strachey family has written that 'He was the Strachey primarily responsible for the saying of the family doctors that members of this family could never go mad - that Stracheys were all far too eccentric for that'.[21] Certainly there seems much evidence to corroborate this view. Following his short sojourn in India, he developed a taste for upholding Eastern customs, as the same writer has described: 'Having once visited Calcutta, he became convinced that the clocks there were the only reliable chronometers in the world, and in consequence kept his watch resolutely set by Calcutta time, organising the remaining fifty years of his life accordingly. The results were often disconcerting for his friends living in England. He breakfasted at afternoon tea and lived most of his waking hours by candlelight'.[22] In the fifties and sixties he is reported to have been

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[19] Sir Richard became Chairman of the East India Railway Company in 1875 but his greatest claim to fame was as the father of Lytton.

[20] St Loe Strachey, Adventure of Living, p. 487. The description of Uncle William continues, 'a wholly fantastic man, though one of great ability'.

[21] Sanders, p. 212

[22] Holroyd, vol. 1, pp. 29-30.

something of a man about town. A bachelor, a member of Brooks and a friend of Thackeray, he was also a sometime visitor at Holland House. It was probably there that he encountered Lord Palmerston to whom, in later life, he was fond of attributing his own thoughts and opinions.[23]

It may be that a part of the answer to the apparent contradictions in the personality of this strange man lies in the fact that he is remembered and written of mostly in his later years. Certainly, if the stories are to be believed, his adherence to Calcutta time dated from the early 1840s, but it is possible that this was nothing more than a desire to assume a degree of eccentricity as a means of achieving social prominence. It is difficult to envisage the staid Frederic Rogers cooperating with Strachey's view of the time or looking kindly upon the galoshes which are said to have been his usual footwear. So far as his work is concerned, however, there is nothing to suggest that he was anything other than a well-respected member of the Colonial Office staff. Despatches on most important matters on Ceylon were referred to him and his appointment as the Colonial Office representative on the Board of the Ceylon Railway Company may be seen as a token of the esteem in which he was held. He shared a common attitude on many subjects with Sir Charles MacCarthy and the two were in frequent communication during MacCarthy's visit to England in 1859. Strachey was undoubtedly the member of the Colonial Office staff least enthusiastic over the public works schemes inaugurated by Governor Ward and he judged them, as MacCarthy was prone to, by the immediate gain or

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[23] St Loe Strachey suggested that William was often selected by Lord Palmerston for special duties, pp. 487-8.

loss to the revenue. His was the guiding hand behind the Colonial Office policy which favoured the reduction of the railway debt in the 1860s even at the expense of reductions in the public works programme if necessary. His over-riding concern was to establish the colony on a sound financial footing and although this policy was, and has been criticised, it is arguably a more admirable course than has generally been admitted.

In looking at the history of the Colonial Office between the years 1855 and 1865 certain points must be borne in mind. Firstly, it was not a strong, still less an omnipotent body. Though in possession of considerable power over successive Governors in Ceylon and over legislation passed by the local legislature, it could only rarely be the initiator of policy. On the railway question, although the Colonial Office played an important role, the impetus for a railway came from elsewhere. Similarly over the military question, although it played a much more dominant part, this was the result of pressure brought to bear by other government departments. The Colonial Office, ultimately, had neither the standing in the British Government nor the real power in the colonies, to actually enforce measures. Nor did it have the capacity, the man power, or the time to formulate long-term ideological policies. Hence the reliance placed on the man on the spot, the Governor, was enormous.[24] A Governor at the commencement of his career might be very susceptible to influence from the body

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[24] In the case of Mrs Braybrooke already referred to, despite the sympathy with which her case was regarded by Rogers and Newcastle, the Governor was nevertheless told 'The question which of these courses ought to be adopted is one which can only be decided by means of knowledge to be arrived at on the spot. This decision therefore, I must leave to you.' CO 54|360|89 10 May 1861

which controlled his promotion, but a change in the holder of the office of Secretary of State could easily eradicate past misdemeanours. In most cases the Colonial Office was anxious not to act directly contrary to the advice of its Governor, and it was also reluctant to appear to act autocratically.[25] In most cases there was insufficient information available to the Colonial Office staff to enable them to over-rule the recommendations of the Governor with confidence. Furthermore, the length of time which despatches from Ceylon took to reach London and to be examined by the chain of command within the Colonial Office meant that, in cases where urgent action was required, the Colonial Office could do little more than approve the action which the Governor had already taken.

Due to the difficulties standing in the way of the Colonial Office's playing a dominant role in the decision-making process, the staff came to see one of their most important functions as the provision of a check on the actions of the local government. One of the prime concerns of the staff was with ensuring that justice was done to the indigenous population. Another was with ensuring the reasonable competence of the local administration. The former role was exemplified when the head clerk of the Kandy Post Office was dismissed because of the disappearance of a number of registered letters en route for Jaffna. The Colonial Office staff, particularly Rogers, were incensed by the injustice of the action by the Governor although

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[25] Certainly officials at the Colonial Office were most anxious not to appear to be forcing a candidate upon the congregation of the Wolfendahl Presbyterian Church to which the Colonial Office had the right of nomination. CO54/359/66 10 April 1861.

it was supported by the Executive Council. Rogers wrote that the decision was totally indefensible, not only because the letters had not necessarily been stolen in Kandy but also because similar thefts had occurred after the dismissal of the clerk. A despatch was accordingly forwarded to the new Governor, Sir Hercules Robinson, instructing him to re-examine the case and, in the absence of new evidence, to reinstate the clerk.[26]

In the same year a petition was received in the Colonial Office from a lady who, as a relation of the ex-King of Kandy, was entitled to a government pension. This had been refused by the local government on the grounds that she was already in receipt of a pension, albeit a small one, as the daughter of a Kandyan chief. As it was forbidden for one person to receive more than one pension, it seemed only just to Rogers that the lady should receive the larger pension. He criticised the Minute of the Executive Council on the subject as 'slovenly', since it scarcely bothered to deny the injustice of its decision which saved the colonial exchequer only a small amount of money. He continued his Minute by underlining the role which he felt the Colonial Office could play in this type of case. 'The matter is very trifling in amount' he wrote, '- but it is a case of direct petition to the Secretary of State from natives not able to help themselves - and I am inclined to consider cases of this kind to be much more important (as lessons to the officials and as giving

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[26] CO54/401/39 6 March 1865.

evidence of justice to the unrepresented natives) than the money value would indicate'.[27]

The Colonial Office staff were also quick to seize upon incompetency and inefficiency in the local administration. In particular, great care was devoted to the scrutiny of all ordinances by the legal advisers. In the middle 1860s, Richard Morgan, the Queen's Advocate, was much criticised for the low standard of his work which resulted in the refusal of the Royal Assent to several ordinances.[28] Careful consideration was also given to the decisions of the Executive Council and the conduct of the local officials toward the Ceylonese was closely watched. In 1860, Bailey, the Assistant Government Agent at Badulla, was censured for having brought pressure to bear on a local magistrate to pass a severe sentence on a Sinhalese who had offended him. Although the Executive Council had criticised both Bailey and the magistrate involved, Rogers did not believe that this was sufficient.[29]

The Colonial Office staff, then, working in poor conditions, attempted not only to formulate general policy in Ceylon, but also to keep a watchful eye on the actions of the local administration. With what success they achieved this will be examined later.

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[27] CO54/400/27 15 February 1865.

[28] Rogers wrote 'he should, I think, learn to be more careful in his work and where palpable defects are pointed out, to amend instead of attempting to justify'. CO54/387/66 26 March 1864.

[29] CO54/353/41 14 December 1860.

Chapter 3

THE LEGISLATIVE COUNCIL

The Legislative Council of Ceylon was established in 1833 on the recommendation of William Colebrooke, a member of the Commission of Eastern Enquiry. Before this, the Governor had ruled, aided but scarcely checked, by a Council of Advice made up of five top officials. This system had proved less than successful and, with the future of the island more secure following the end of the wars with France, it had become desirable to establish a more efficient form of government. In particular, the officials at the Colonial Office were anxious to end the recurrent financial deficit of the island and to exercise a greater degree of supervision over the government to this end. Thus the authority of the Eastern Commission, originally intended to cover only the Cape and Mauritius, was extended to include Ceylon.

Colebrooke's own over-riding intention was to curtail the power of the Governor, or at least to render the holder of this office more accountable to the Colonial Office. The establishment of the Executive Council, composed of ex-officio members of the administration whose promotion depended on Colonial Office approval rather than that of the Governor, was one step in this direction. The Legislative Council was designed to provide a further check on the Governor. To this end, Colebrooke suggested that the Governor be excluded from its proceedings.[1] The Colonial Office felt, however, that this would deprive the Governor of the opportunity to explain fully his policies and the measures for which he might be seeking approval. Despite

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[1] Colebrooke-Cameron Papers, edited G.C. Mendis, vol. 1, Report upon the Administration, p. 56.

this difference, it is clear that the Colonial Office did share Colebrooke's view of the Legislative Council as an instrument by which Imperial control of the colony could be made more effective.

The inclusion of a number of unofficial members gave the Legislative Council some superficial claim to be of a representative nature, but it is evident that this was not Colebrooke's aim. Rather, the presence of the unofficials was intended merely to facilitate communication between government and the governed, without giving the latter any real influence over the former. As Colebrooke envisaged it, the Council 'would primarily act as a sounding board rather than a representative body in the strictly constitutional sense'.[2] At the same time, enlightened government meant ascertaining and taking into account the wishes of those for whom it was conducted, or at least those sections capable of articulating their wishes. Thus Colebrooke wrote - 'On these and other questions of general importance the people are entitled to expect that their interests and wishes may be attended to, and their rights protected; and although the ignorance and prejudice which still prevail generally throughout the country may preclude the adoption of their views on all subjects, it would be consistent with the policy of a liberal government that they should have an opportunity of freely communicating their opinions of the effects of the legislative changes that may be proposed.'[3] To this extent, then, Colebrooke saw the Council which he created as a first step on the road toward constitutional progress. 'Such a Council,' he wrote

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[2] History of Ceylon, edited K.M. de Silva, p. 82.

[3] Mendis, vol. 1, p. 56.

'is not proposed as an institution calculated in itself to provide effectually for the legislation of the island at a more advanced stage of its progress' but 'it would eventually constitute an essential part of any colonial legislature for which the island may be prepared at a future period.'[4]

It was intended that the Legislative Council, as inaugurated in 1833, should be composed of nine official members and six nominated by the Governor from the three main communities on the island, though not in proportion to their numerical strength. It proved impossible, due to the dissatisfaction of the European population with the composition of the Council, to complete the unofficial appointments until 1837. However, representatives of the Sinhalese, Tamil and Burgher communities served from the first. The Council was entrusted with the legislative powers formerly possessed by the Governor and Advisory Council but ordinances could only be introduced by the Governor and all subjects for debate had to secure his approval.[5] The Council did possess fairly wide powers to call for administrative papers and in 1838 the Secretary of State granted it the authority to provide for all the island's contingent expenditure; this meant that it had the right to vote all expenditure other than that incurred annually on the authority of the Imperial Government for such purposes as the Civil Establishment and Military Expenditure. Nine years later, a technical change was made with regard to the enforcement of ordinances passed by the Legislative Council. Whereas originally no ordinance could be

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[4] Mendis, vol. 1, p. 58.

[5] This was the situation until 1860.

enforced except in case of dire necessity before the official assent had been given by the Crown (a process which could involve serious delays), it was now provided that all legislation could be provisionally enforced prior to the grant of Royal Assent. This was clearly a small but not insignificant step toward a greater degree of independence for the Council. The next year (1848) saw Earl Grey's promise regarding future Legislative Council control over all the island's expenditure. Writing in May, the Secretary of State significantly, if erroneously, stated that the Legislative Council had control over all the island's expenditure.[6] This was hastily corrected in July, but, in amending his view, Grey stated instead that this was the policy at which the Government aimed and he named the conditions under which such control would be granted.[7] These conditions were fulfilled with regard to civil expenditure by the Fixed Establishment settlement of 1858, but no corresponding terms were laid down with regard to the military establishment over which the Legislative Council continued to exercise only very limited control.

During the Governorship of Sir Henry Ward two further changes were effected with regard to the Legislative Council. Firstly, in 1855, Ward allowed the two commercial organisations, the Planters' Association and the Chamber of Commerce, to choose their own representatives on the Council. In the past all unofficial members had been nominated by the Governor and, although this was still technically the case, Ward was liberalising the system by allowing these bodies to

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[6] CO55/89/18 May 1848.

[7] CO55/89 17 July 1848.

decide whom he should nominate. Moreover, before his departure in 1860, Ward had brought about another significant change in the constitution by agreeing to allow the unofficial members to initiate Bills of a non-financial nature.[8]

Some changes, then, had taken place in the Legislative Council since its establishment. On the whole, however, constitutional progress had been slow, and had fallen far behind the changes in the economic structure of the colony. This was an argument which was much stressed by the critics of the Council. Agitation for constitutional reform was sporadic, and often half-hearted. It emanated almost entirely from the merchants of Colombo and, in the forties and fifties, from a small group, predominantly Burghers, led by Christopher Elliott[9] of the Colombo Observer. So long as the Governor was reasonably active and pursued policies acceptable to these elements, then no complaints were voiced concerning the Legislative Council, for there were few Europeans in the colony with time to devote to playing any larger role in government than was already accorded to members of the Legislative Council. In fact it was frequently difficult to find men willing to accept office at all.[10]

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[8] See Chapter on the Governor, fn. 4, p. 6.

[9] Christopher Elliott was a Doctor who arrived in Ceylon in 1834 as an Assistant Colonial Surgeon. He soon built up a large private practice and then branched into journalism, winning fame as the editor of the Colombo Observer. He played a leading role in political agitation in the late 1840s and 1850s.

[10] Ward reported his difficulty in finding unofficials in a letter to Lytton CO54/344 Confidential of 7 June 1859. In CO54/345/9 23 July 1859 he reported that he had been obliged to appoint Thomas Rust, the advocate, to represent the mercantile interest, since the Chamber of Commerce could find no one willing to accept the post. In the same despatch, he announced that the Planters' Association was also unable to find a member.

The criticisms which were made of the Legislative Council were usually reflections of discontent with the incumbent Governor and his administration. At these times it seemed that the only hope of bringing about a more accommodating administration lay in increasing the influence of the Legislative Council over it. There was intermittent agitation, for example, during the Governorship of Sir George Anderson, who failed to meet the demands of the commercial interests. This culminated in 1854. The Chamber of Commerce requested an unofficial majority on the Legislative Council in a Memorial of March 1851 and asked that unofficial members be allowed to initiate legislation.[11] These, it should be noted, were essentially fairly conservative requests. The Times, in June 1853, thundered that under the existing constitution 'the Legislative Council is a mockery and a plaything in the hands of the few called the Executive; its unofficial members represent the wants of the public, but without the power to supply them, whilst the whole comprises a system of absolutism unrivalled in the most despotic governments of either ancient or modern times.'[12] This illustrates quite clearly that the fundamental complaint was less against the composition of the Council in principle than against the fact that the views of the unofficials were not heeded; this was something which, it was felt, could be remedied by altering the composition of the Council so that the government was obliged to bow to the views of the unofficials. Equally, it could be remedied merely by the government's paying more attention to the

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[11] The Memorial can be found at CO54/278/41 25 March 1851.

[12] Ceylon Times, 28 June 1853.

opinions which the unofficial members expressed. The financial situation at the time made it difficult, if not impossible, for Anderson to carry out the demands of the planters for more roads. The lethargy of the administration also led to requests that the unofficials be given the power to initiate legislation, for, in the rule of an inactive Governor, even an unofficial majority would be impotent without this right. This same Memorial also requested an end to the Governor's control over the votes of the official members of the Council: this was yet another indication that there existed no widespread demand for members of the community to play any larger part in the process of government if any other method of ensuring that the Governor passed acceptable policies was available.[13] So powerless was the existing position of the unofficial members felt to be that one prominent merchant at the June meeting claimed that no Legislative Council at all would be preferable, since the despotic powers of the Governor would then be obvious for all to see.[14]

Two well-known merchants who, at different times, sat on the Legislative Council, made public their objections to it. George Ackland, a founder member of the firm of Ackland, Boyd and Company, wrote two letters in March 1848 complaining of the powerlessness of the unofficials' position.[15] However, his criticisms were significant mostly

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[13] CO54/278/43 21 March 1851.

[14] The merchant concerned was Cargill who was addressing the public meeting in Colombo on 28 June 1854. Reported in the Colombo Observer of 30 June 1854.

[15] Ackland's letter can be found at CO54/247/53 8 March 1848. See Chapter on The Governor, pp. 62, fn. 8

for their inate conservatism. Ackland sought, not to change the basic structure of government but merely to effect minor reforms in the existing machinery to ensure its smoother running. He was careful to guard against accusations of radicalism - indeed, one of his principal arguments was that under the existing system any unofficial who did oppose the Governor ran the risk of being labelled a radical. He expressed his criticisms in a letter rather than in Council, explaining that he feared that to give vent to his views in the Council might make him appear factious.

Many of Ackland's criticisms were reiterated eleven years later when George Wall resigned his seat on the Legislative Council.[16] He, too, advocated the withdrawal of the Governor from the proceedings of the Council and the granting of the right to initiate measures to unofficials. He also favoured increasing the number of unofficials by two. However, where Ackland's criticisms had been conservative and reformist, and, it may safely be said, representative of the vast majority of the European community, Wall's were of a much more radical nature. Ackland had chaffed at the inability of unofficial members to defeat measures which they disliked, and constitutional agitation in the early fifties had been largely a symptom of dissatisfaction with the administration of Anderson; Wall, in contrast, made known his discontent at a time when the Governor was generally popular. His criticisms were levelled not at Ward's policies but at his methods, not at his actions but at the principle (or lack of it) behind them. Thus

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[16] He resigned on returning to Britain on leave, and not as a protest against the composition of the Council.

he wrote in his letter of resignation from the Council that 'in the hands of an able, resolute Head, the Council is a mere instrument for giving effect to his own views.'[17] Wall was not quarrelling with the Governor's intentions, as he went on to explain:

> Large sums are expended without votes and the Council is superceded in its principal functions. The Governor, it is true, fully admits and strongly deprecates the unconstitutional character of such expenditure, but makes out a strong case for a departure in the particular instances, from the usual rules. It is willingly admitted on all hands that the money so expended is generally well applied, hence the unofficial members though feeling that their rights have been infringed, are little disposed to censure strongly the way in which the thing was done, when the thing itself was really good and was prompted by a spirit of earnest zeal for the public service.[18]

What Wall was seeking to bring about was the transformation of the Legislative Council into a body whose rights and privileges, and hence its actions, were totally independent of the personality of the incumbent Governor. This degree of independence was wholly unacceptable to the Colonial Office, given the unrepresentative nature of the Council.

The Colonial Office view of the Council was, in many ways, a more limited one than that of Colebrooke. Officials were unwilling to accept Colebrooke's recommendations in their entirety but, by the middle 1850s, there were signs of a more liberal attitude beginning to prevail. It appears almost certain that Sir George Grey, at least, was prepared in late 1854 to concede to demands for some reform of the

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[17] The letter is dated 16 April 1859 and can be found in PA Proceedings 1859.

[18] Ibid.

Council.[19] Blackwood, the Colonial Office clerk, saw the need to encourage commerce as a major reason for the extension of the Council, so as to include more representatives of these increasingly powerful groups.[20] Herman Merivale, however, remained sceptical of the advantages of change, whilst at the same time refuting many of the apprehensions expressed by Governor Anderson of the consequences of such a move. Merivale felt that to concede too much to unofficials was unwise in principle and he pointed out that no other group in British institutions had so much power without any responsibility whatsoever. He went on to express his regret that the Legislative Council with its illusion of power, had ever been established at all; it might have been preferable in many ways, he felt, to have continued with the pre-Colebrooke Council of Advice.[21] Certainly, dissatisfaction with the Council as it existed, was widespread among the staff of the Colonial Office. The Duke of Newcastle, during his first tenure of office, favoured improving the situation by the extension of the unofficial membership. At the same time, he adhered firmly to the belief that representative government was quite out of the question. 'I think the present Council worse than none,' he minuted. 'It has only the shadows of power or influence, and if its members cannot be trusted without such restrictions they had better come to occupy a nominal position.'[22] As

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[19] A note by Blackwood on a Memorial on the constitution, in CO54/309/48 26 September 1854, says that Sir G. Grey 'has determined to concede' to demands for reform.

[20] The minute by Blackwood is on CO54/301/143 20 September 1854.

[21] Minute by Merivale on CO54/301/143 20 September 1854.

[22] Minute by Newcastle, ibid.

early as August 1853, he made the first tentative move toward change by asking Emerson Tennent and Charles Cameron for their advice on the subject of possible changes in the Council. Unfortunately, a closer examination of the situation revealed an apparently insuperable barrier to any extension of the Legislative Council and to an unofficial majority. This was the large amount of military expenditure which was voted annually by the Council and which would almost certainly not be voted if the number of unofficial members were increased. A despatch to Ward noted in April 1856, 'I do not therefore think that any extension of the unofficial element of the Legislative Council can be prudently effected unless some measure be taken to remove the chance of collision on this particular subject.'[23] It was not until the mid-1860s that this question was finally settled. By that time, Colonial Office willingness to increase the number of unofficials had evaporated; this was partly due to the concern felt over the military question, and partly the result of a complete lack of any significant agitation for constitutional change in the early years of the decade. For this very reason Governor MacCarthy advised against conceding to a request in 1862 from certain inhabitants of the Northern Province that two extra members, one official and one unofficial, be appointed to the Council. There was, he claimed, no evidence of popular discontent with the Council as then constituted. 'Since my return to the Colony,' he wrote, 'I have not heard a whisper of any dissatisfaction at the present constitution of the Legislative Council, or received the slightest intimation of a desire for its reconstitution in any other form.'[24]

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[23] Draft & reply dated 23 February 1856 on CO 54 / 301 / 143 20 September 1854.

[24] CO54/361/155 30 July 1861.

The situation which MacCarthy described at this time had altered out of all recognition from that which he had reported in 1853. In that year, he had composed a Minute on the subject of the extension of the Council, in which he opposed many of the views put forward in the accompanying despatch by Governor Anderson. Anderson adamantly opposed any suggestion that increased powers should be given to the Council. On the contrary, he firmly adhered to the idea that strong Crown rule was the only way by which the indigenous population could be protected. An altered Legislative Council, he claimed,

> would not be the Council of the people, but chosen in the main from a few hundred Europeans whose interests are frequently in opposition to the interests of the people.... The many - the mass consisting of a million and a half of people, would be just as much unrepresented as they now are ... I know not that they would be better cared for - that their interests would be more impartially weighed by the Government carried on by a majority of the Legislative Council, as it is proposed to constitute it, than by the Government as now constituted, which has its eye over the interests of all, setting aside all classes or class - interested considerations and views.[25]

This is a very reasonable statement of the view against extension. At that time, however, MacCarthy saw no danger in equalisation. Whilst agreeing that the time was not yet ripe for representative government, he nevertheless felt that the idea of representation was 'so inherent in the very idea of all Sovereignty exercised by the Crown of Great Britain, and so essential to the efficacy and free working of any deliberative assembly in any one of its dependencies as to make it the obvious duty as well as policy of its government to introduce and develope that principle as fully as circumstances will

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[25] CO54/301/143 20 September 1854.

allow.'[26] Moreover, he claimed that a degree of representation was inherent in the Legislative Council already since its procedure was modelled on that of representative institutions.

Ward's attitude to the Legislative Council was ambivalent; on the one hand, he tried to act in a liberal manner toward it, whilst at the same time he was prepared to act unconstitutionally by ignoring it altogether when it suited him to do so. His liberalism extended to a refusal to take the chair at the Legislative Council debate on the Fixed Establishment, because he felt that on such an important matter nothing should be decided on his casting vote. He further attempted to improve the institution by allowing the Chamber of Commerce and the Planters' Association to nominate their own representatives on the Council. Shortly before the end of his time in Ceylon, he secured for the unofficials the right to initiate legislation for which they had long pressed. Despite this, his view toward more drastic change was essentially the same as MacCarthy's. When in April 1856 he received a despatch from Labouchere containing limited proposals for changing the composition of the Legislative Council, he advised against re-opening the question at a time when there was no agitation for change in the colony. Whilst stressing that he did not doubt that his measures would receive the same support from the Legislative Council whether there was an unofficial majority or not, he did admit to fears that the role of the government as guardian of the interests of the Ceylonese might be endangered if the unofficial European element became dominant in the Legislative Council. He agreed, too, that any form of

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[26] CO54/301/143 20 September 1854.

representative government was quite out of the question. 'The true principles of Representative, and Responsible, Government cannot be introduced into a Colony,' he wrote, 'the population of which consists of six, or eight Hundred European Settlers, a small, though intelligent Class of Burghers, - and two Millions of Cinghalese, Tamils and Moormen, equal to the Europeans in all legal rights, but wholly unaccustomed to the working of a Constitutional System.'[27] Another factor in Ward's attitude to the Legislative Council was his fear of the Burgher community. He felt that this group would be the main one to benefit from major changes in the composition of the Council, and he regarded this as dangerous to the future of British rule. 'They should be used, not trusted,' he wrote in a private letter to Lytton in 1859, and he continued by stipulating that 'if you value the peace of Ceylon, you must never give these Gentlemen a preponderance in the Legislative Council.'[28] Thus he preferred to make minor modifications in order to avoid the need for more sweeping changes. His unfortunate experience in the Ionian Islands, where he had witnessed at first hand the unhappy results of premature and sweeping constitutional change, clearly left an impression which was not easily erased.

The Officials

The officials who sat on the Legislative Council were the five members of the Executive Council plus the Government Agents of the

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[27] CO54/345/9 23 July 1859. This was included in a letter written by J. Bailey, the Governor's Secretary, at Ward's direction, to the Chairman of the Planters' Association, on 6 June 1859.

[28] CO54/344 Confidential 7 June 1859.

Western and Central Provinces, the Collector of Customs at Colombo and the Surveyor-General. The attendance of some of these was uncertain, particularly the Government Agent for the Central Province, who had to journey from Kandy for Council meetings and whose every-day work involved a considerable amount of travelling around the province. Much of the work on sub-committees therefore tended to devolve onto the members of the Executive Council who were based in Colombo.

One of the most recurrent problems in the working of the Legislative Council concerned the degree of loyalty to be expected from official members with regard to their votes. Clearly, if the Legislative Council were to operate as an efficient check on the Governor, it was essential to allow the officials to vote as they wished. Equally, this might be embarrassing for the Governor and might cause genuine difficulties in carrying on the government.[29]

Wilmot-Horton first posed the question to the Colonial Office in 1837 of how far the officials should be allowed freedom to vote as they wished, and the matter was later resubmitted by Stewart Mackenzie and by Torrington. The Colonial Office found the question one of some difficulty but generally adopted the view that those members of the Legislative Council who were also members of the Executive Council should usually support the Governor on matters of principle, or at least should not record their votes in opposition to the Governor. In 1848, Grey voiced the opinion that the officials in the Legislative Council should be able to express their personal views there, but that, having done so, they should help to pass the matter in the Governor's

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[29] This question is dealt with at some length in Lennox Mills, pp. 108-11.

favour and on his responsibility, whilst putting their dissent on record in a Minute if so desired.[30] Though the reasoning behind such a proposal is clear enough, it also contains an element of the ridiculous. The situation remained unclear, and Anderson found it difficult to obtain support in the Legislative Council on many occasions, even from those members who had previously agreed to measures in the Executive Council. This was yet another reason for his reluctance to approve any scheme for increasing the number of unofficials on the Council, for he felt that this could only make his government more difficult. He believed that the support of the official members should be absolutely required on all important issues and that they should not be permitted the luxury of abstention.[31] MacCarthy agreed that Executive Council members at least, should be required to stand by decisions of that Council in the Legislative Council[32] and Merivale at the Colonial Office also favoured this view, whilst believing that those officials who sat only on the Legislative Council should be allowed to abstain.[33] No definitive ruling was made by the Colonial Office for, as Blackwood pointed out, the Colonial Office would not receive a realistic view of opinions if all the officials were obliged to support the government.[34] Ward achieved at least a temporary solution when he reached a firm understanding with his

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[30] Minute on CO54/247/53 8 March 1848.

[31] CO54/301/143 20 September 1854.

[32] Enclosed in CO54/301/143 20 September 1854.

[33] Minute, ibid.

[34] Ibid.

officials that those who sat on the Executive Council were bound to present a united front in the Legislative Council and support all the decisions reached by majority vote in the Executive Council. The Governor was thus assured of at least five votes in the Legislative Council. Despite this arrangement, there were issues on which Ward allowed a free vote. One such was the railway debate in 1856, when he was strongly opposed in the Legislative Council by MacCarthy, his Colonial Secretary. In 1859 he was again opposed on the railway issue by two members of the Executive Council. On this occasion, however, no free vote had been granted, and Ward was bitterly angry about the conduct of the men involved, Gibson and Skinner. He wrote to Newcastle privately, that

> I really do not see how the government is to be carred on, if the members of the Executive Council are to oppose the Governor openly, and bitterly, in carrying out the orders of the Secretary of State, as was the case with Major Skinner upon the Railway Reference, - and if the Acting Colonial Secretary, who brings me every question connected with the Supplementary Supply, and whose recommendations are, almost invariably acted upon, is not only to ignore his own part in the matter, but to throw upon me the entire responsibility, when acting as a member of a sub-committee of the Legislative Council.[35]

It is clear, then, that whatever understandings may have been reached, the Governor could not always rely on a majority on Council on the military expenditure question.

The Unofficials

The group of six unofficials who sat on the Legislative Council was made up of three representatives of the European community (one planter, one merchant, and one member for the general European group)

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[35] Private letter from Ward to Newcastle, 15 November 1859, NeC 10981.

and one member from each of the Burgher, Tamil and Sinhalese populations. The only criterion by which these men were chosen was that the Europeans must have resided in the colony for at least two years, and the Ceylonese must be English speaking. Ironically, there was no ruling that a representative had to belong to the community which he actually represented; thus for example there were occasions when, in the absence of Coomaraswamy, a Burgher (Eaton) represented the Tamil community because, apparently, no suitable Tamil could be found. Similarly, a lawyer named Thomas Rust once represented the mercantile community and was succeeded by a journalist, Capper. Furthermore, George Wall was first a planting and then a mercantile member of the Council.

Considerable difficulty was frequently experienced in finding men willing to serve. It is too simple to imply, as Ward did, that this was merely symptomatic of the lack of interest in the long-term future of the island among the Europeans.[36] Many of the planters and merchants spent a considerable part of their lives in the island and developed financial interests which continued long after their return to Britain. In this sense, there was no shortage of men with an interest in the future of the colony. The problem was rather one of time. The Legislative Council sat approximately once a week for anything up to five months of the year. Few planters could find the time to journey to Colombo each week and even to those merchants and Ceylonese living and working in Colombo, the sacrifice of time was still substantial. Nor were the rewards for this sacrifice large. The

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[36] CO54/345/9 23 July 1859. Letter from J. Bailey to Chairman of the Planters' Association on the Governor's instructions.

Council was, after all, a purely consultative body - only in the event of a 'rebellion' on the part of the official element, or a large number of absences, could the unofficial group hope to defeat a government measure. Even once the power of initiation was granted, no measure could hope to succeed without the support of government officials. There was thus little incentive to make the sacrifice of time necessary for membership, particularly during the rule of an active Governor who was pursuing measures of general acceptability. Under Ward, both the Planters' Association and the Chamber of Commerce found it very difficult to find men to serve and this led Ward to speculate that a return to the system of pure nomination might be necessary, or even that Moorish and Kandyan representatives might have to be appointed. The Chamber of Commerce told Acting Governor Wilkinson in 1860 that they could find no-one willing to represent them but that they hoped that when the railway question was under discussion once more, someone might be found.[37]

Perhaps the most fundamental point which should finally be stressed concerning the unofficials is that they were in no sense a united opposition to the administration. Not only were they not an opposition with any opportunity to replace the government, but they were in no sense a united group either. The six unofficials were, first and foremost, six individuals. They were subject to no formal control by the groups which they nominally represented, and there was no real

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[37] In November 1860, MacCarthy again requested the Chamber to nominate a member as the Council was about to discuss the railway question. The Chamber found a member this time - J.M. Robertson. See CO54/355/28 27 November 1860.

unity of interest between them. It was rarely that a question arose in Council on which all six agreed; even over the military expenditure question, one or other would often vote differently due to reservations about the wording of resolutions.

The Legislative Council, then, was neither a powerful nor a united body. Nevertheless, on many occasions it was called upon to make important decisions and it is hardly surprising that it was frequently unable to rise to the occasion.

Chapter 4

THE PLANTERS

The men who were engaged in the planting enterprise in the early fifties came from a variety of backgrounds. In many cases they lived in isolated areas, maintaining only sporadic contact with their fellows. They were in no way a naturally cohesive unit. Nevertheless, the problems with which each planter was faced were generally similar to those which confronted his colleagues, although the location of estates had a bearing upon the severity with which problems were felt by each proprietor.

The main problem facing planters was transport and this included two closely related, though distinguishable, aspects: the supply of carts and the construction and maintenance of roads. Carts were used, not merely to transport the coffee from the estates to Colombo, but also to bring rice from the port to the plantations. The owners of the carts were, in the main, low country Sinhalese, and although the early fifties saw an increase in the numbers of Tamils engaged in this trade, in 1855 this latter group still formed only five per cent of the carriers.[1] Whilst the supply of carts on the Colombo to Kandy road remained fairly steady, except when exorbitantly high rates were offered elsewhere, the availability of carts in other planting areas was unpredictable. Drivers understandably disliked working in regions where small-pox or cholera was prevalent and they were unwilling to risk their carts on roads which were known to be in partic-

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[1] Details of the numbers of low-country Sinhalese engaged in the carrying trade were published in the Colombo Observer of 14 February 1856. Of the carriers licensed at Colombo in 1850, three per cent were Tamils (155 out of 4,884) and in 1855 five per cent were Tamils (314 out of 6,585).

ularly bad condition. Nor were some of them averse to increasing their profit dishonestly and it was an accepted fact that coffee was often stolen en route for Colombo. One writer in the mid-forties, from which time the situation had changed little, reported that carters refused to take coffee from estates unless the measures given were generous; if only the exact measure was despatched it was impossible for any of the coffee to be removed along the way and the correct amount still delivered at the destination.[2] Cases were often recorded of carts loaded with coffee disappearing along the Colombo road; there was little to prevent the substitution of licence plates en route so that the cart which had left the estate effectively vanished whilst the load itself could be sold to uninquisitive buyers in Colombo. The obvious answer was an improved system for the registration of carts, possibly introducing the branding of the number on the side of the cart.[3] Furthermore, it was said that carters would complain to estate agents in Colombo if they felt that they had been detained too long on an estate, or if they had not been paid in cash. According to Millie, the superintendent would then be told by the agent that any further complaints by carters would result in his dismissal.[4]

Exactly how many carts were operating in the early and mid-fifties remains largely a matter for conjecture. Figures exist of the number of licences granted, but these are unreliable because of the likelihood

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[2] P.D. Millie, Thirty Years Ago, ch. 7 (unnumbered pp.).

[3] Normally, the only visible sign of registration was a tin plate hanging on the side of the cart.

[4] Millie, ch. 7.

of drivers registering in more than one place, or not at all. Indeed, when a determined effort was made in the Central Province in 1855 to stop this malpractice by requiring the surrender of the previous year's licence plate when application was made for a new one, the number of licences issued fell by more than two-fifths in the area around Kandy.[5] The trend was not repeated, however, in the more remote Badulla and Nuwara Eliya areas. The figures do indicate that the great majority of the carts were registered in Colombo and presumably plied the route between the capital and Kandy.

The supply of carts was also regulated to a large extent by both the number and health of the cattle available to pull them. The first half of the decade saw the gradual replacement of the Sinhalese bullocks by cattle imported from Southern India where a large supply was available. In 1850 eight thousand, five hundred and seven cattle were imported, but by 1854 the number had reached twelve thousand, five hundred and twenty-four and, in the following year, it rose to an unprecedented height of sixteen thousand, five hundred and thirty-four. Thereafter, the number sank in the following years to around the ten or eleven thousand mark.[7] Unfortunately, it is impossible to say what proportion of these animals was imported for transport purposes and what proportion for consumption; but, since

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[5] Observer, 18 February 1856.

[6] It is likely, of course, that the cartmen in the more remote areas might see less need to bother with the formality of registration. Official figures gave the total number of carts in the island as 8,171 in 1854 and 8,720 in 1855. It seems likely, however, that the estimate by the Colombo Observer of 10,000 in 1856 is a more reliable figure. See Observer, 21 February 1856.

[7] Figures taken from J. Ferguson, Directory for 1864/5, p. 228.

contemporaries were quick to stress the significance of the increasing numbers of Indian cattle when mentioning transport difficulties, it may safely be assumed that a large proportion escaped slaughter. The importance of the increasing use of Indian cattle lies in the fact that they showed a markedly higher tendency to fall victim to cattle disease (or 'murrain', as it was usually termed) and also to the lesser known and less dangerous hoof disease.[8] Estate owners made many attempts to find cures for these diseases, but during this period, at least, they both defied contemporary scientific knowledge.

Carts played an absolutely vital role in the coffee industry. When supply was short and the price of transport consequently high, the planters simply could not afford to defer shipment of their coffee. If the coffee were to be exported from Colombo in the season in which it was picked, it had to be shipped before the onset of the monsoon. Few estates possessed proper storage facilities with the result that the quality of any coffee which was stored was seriously impaired.[9] Storing coffee on the estates also caused financial problems for the planter since it meant that he did not have the sale price of his coffee available to meet expenses or for reinvestment. Late shipping also led to increased freight and insurance charges.

Almost as important to the planters as the safe conveyance of their product to Colombo was the transport of rice to the estates to

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[8] It was reported in a Memorial from the Planters' Association to Anderson that one quarter of the cattle in the Central Province died from murrain in 1852 (25,000 out of 100,000), and sporadic outbreaks were anxiously reported in the press in the following years. See Observer, 11 January 1855 for details of this Memorial.

[9] This was particularly serious because of the stress laid on the quality of Ceylon coffee.

feed the Tamil labourers. The rice was imported from Southern India and was sold by the planters to the labourers at a fixed price. Any transport difficulties thus raised the cost to the planters. Similarly, estates which were not easily accessible and where the rice supply was not assured, were the first to suffer in the event of any labour shortage. P.D. Millie recalled that it was frequently necessary to empty carts of rice far from their destination and carry the rice by hand when the roads were impassable or the progress of the bandies (carts) too slow.[10]

Both for financial reasons and through lack of man power, the government was unable to expand the road network to keep pace with the recovery and expansion of the coffee industry in the fifties. Many prosperous areas were consequently very badly served by roads. A notorious example of this was the Uva district. Lack of money for the government departments concerned with road building meant that it was difficult to attract highly skilled officials to them, or if such men could be engaged, to allow them to fully exercise their talents. It was impossible for the existing machinery to carry out both the construction of new roads and the maintenance of existing ones. As Sir Henry Ward wrote on one occasion: 'The pressure is the inevitable result of the introduction, and too rapid development, of a new branch of industry, creating wants for which the country was not prepared, and which it has no means of providing for.'[11] The government could, and did, point in its own defence to the large sums voted and expended on

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[10] Millie, ch. 4.

[11] CO54/314/5 8 June 1855.

roads, but some planters were quick to point out that it was less a question of how much was spent, than of how it was spent. Money spent on the actual construction of roads was wasted if the same roads were not maintained in good usable order afterwards. Amounts spent without the benefit of experienced supervision were also wasted and it seemed that only an enormous expansion in the staffing of the road department could solve the problem.

Many of the difficulties originated in the fact that the economy of the island had expanded very much more quickly than the administration had been able to; government departments were still designed to suit the colony as it had been in the 1820s and 1830s and, instead of attempting to expand the administration, Anderson had preferred to meet demands merely by feeding the existing machinery increasingly large sums of money. These had been swallowed up with few apparent results. Even a fairly substantial Legislative Council grant for the upkeep of a particular road would often be spent before the end of the year with the work unavoidably still incomplete. In such circumstances, nothing more could be done to maintain the road in that year. Even in cases where a further sum had already been granted for the following year's repairs, no part of this could be spent until 1 January, by which time, in all probability, the road had deteriorated further and the labour force had moved to another area.

The number of carts passing over roads and the weight of their loads was another factor which affected the condition of the roads. As the coffee industry prospered, drivers strained to load more and more coffee onto the carts; the pressure on the wheel rims was increased and they cut more and more deeply into the surface of the

roads. The weather could be kind or cruel; if the transporting season were a dry one, then the roads could withstand the heavy traffic reasonably well, but after prolonged heavy rain the same roads could be transformed into impassable and muddy tracks.

The other main problem of constant concern to the planters was the supply of labour, and this assumed new and increased significance after 1854 when the Madras Public Works schemes were inaugurated. With work more readily available in Southern India, there was less incentive for the Tamils to make the hazardous journey to work on a Ceylon coffee plantation. An increasing concern began to be shown by many planters about the conditions encountered by immigrants in Ceylon. The government was asked to contribute toward the provision of more wells and resting places on the long walk south taken by many immigrants after arrival in the north of the island and the necessity of a regular steam communication with India was also urged.

If the planters experienced problems in the island, events many thousands of miles away also caused them some concern. Judging by the prominence given in contemporary newspapers to details of the progress of coffee cultivation in Brazil, there is every indication that the rivalry between Ceylon and Brazil was taken seriously by many planters. In particular, it was emphasised that a railway was being constructed in Brazil by British capitalists. Coffee, as an exportable commodity, had a much longer history in Brazil than in Ceylon,[12] and some planters found the comparison between the two producers

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[12]The trade probably began there in the 1750s and by 1826 Brazil was producing one-fifth of the world's coffee. By 1850, the proportion was one-half.

interesting, since it could be used to present the encouragement given to the industry by the British authorities in Ceylon in a very poor light. A railway was under construction in Brazil in the mid-fifties when it was no more than an idea in Ceylon.

Of greater priority was the position of coffee in Britain at this time, for consumption was decreasing, reportedly by some hundred tons during the first three months of 1851 alone. The blame for this was laid on the adulteration of the coffee with chicory which was widely practised. It was estimated that ten thousand tons of chicory was grown annually in Britain, and those who had invested in its cultivation, along with many small time grocers who employed and benefited from the practice, formed a powerful lobby. Much of what was sold at the same price as pure coffee was thought to be actually fifty per cent chicory.[13] Although the adulteration had once been forbidden, the order against it had been suspended by order of the Treasury, since the British Government claimed that it was impossible to distinguish by test between what was, and what was not, adulterated coffee. Opponents claimed, however, that Dr Hassall's test, which had been perfected in 1849, and which showed differences in the vegetable tissue of pure and adulterated coffee upon examination under a microscope, could easily be employed. It is not difficult to envisage the concern with

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[13] An analysis done by the Lancet in late 1850 found that a sample of supposedly fine plantation coffee actually contained a little coffee, a great deal of chicory and some roasted corn. Rumours spread of the other substances used to adulterate the coffee, including soot, sawdust and beans. Even the chicory itself was said to be impure. See report of a speech made by Tytler at a meeting of planters and merchants at Kandy, 23 June 1851, which was reported in the Ceylon Times, 27 June 1851.

which planters viewed this practice with its resultant effect on the consumption level of coffee.

These problems which were associated with the planting industry in the fifties can all be said to have played some part in the formation of the Planters' Association. Although these worries had long existed, a lack was felt of any established method by which the planters could make representations to the government about them. The merchants were able to express their views on issues which concerned them through the Chamber of Commerce, but the only course which lay open to the planters was to assemble in public meetings. Such meetings were not only disorganised but also could not claim to be representative of any particular group, being attended not only by planters and merchants but also by Burgher proctors, government officials and members of the indigenous population.

A few such meetings were held in the early fifties, but they were infrequent and generally unproductive.[14] Undoubtedly, the government of Sir George Anderson was unsympathetic to the needs of planters and isolated protests could not hope to attract sufficient attention in the Colonial Office. The ineffectiveness of those protests which had been made showed the more politically conscious among the planters that it was necessary to organise a more concerted and representative

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[14] A meeting on 1 April 1854 heard complaints about the system of maintaining roads and suggestions were put forward for the employment of prisoners on road works. Nothing resulted, however. It is interesting to note the prominence in these meetings of men such as George Wall, Tytler, Pitts, Gerard, Brown and Jolly, who were later to play such a prominent part in the foundation of the Planters' Association. Attendance at these meetings was not usually high. A typical one, held on 25 January 1850, was attended by only twenty-three people.

group which could better express collective opinions. The assumption was that, once formed, a planting body would immediately command a certain position within the colony. In other words, it would give the planters a permanent framework. Whilst individual planters might come to the island and depart again fairly quickly, an association of planting interests would provide not only an organisation within which individual opinion might be articulated, but also, at the same time, a continuity of leadership and consistency of approach which had previously been lacking.

The Planters' Association was actually founded at a public meeting, held at the Boarding House, Kandy, on 17 February 1854. It was the result of an advertisement by five men - R.D. Gerard, John Gavin, Simon Keir, R.B. Tytler and George Wall - though Tytler's signature had been appended to the circular calling the meeting largely as the result of a misunderstanding with Wall.[15] The inaugural meeting was attended by around one hundred people then engaged in planting activities.

A constitution drawn up in advance by Wall was placed before the meeting and accepted.[16] Its main proviso was for the establishment of a committee which was to be the ruling body of the Association. Each district was to have at least one representative on this body. The whole committee was to be composed of eighteen members from the

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[15] According to the Observer on 9 February 1854, Tytler's name was added to the circular in error, but when informed of this, he said he did not mind. Later, he criticised the hostile tone of the circular and tried to dissociate himself from it.

[16] The report of the meeting published in the Observer on 20 February 1854 contains details regarding the constitution.

outlying districts and nine from Kandy. Significantly, clause four specifically laid down that the quorum for the committee could consist of the Kandy representatives alone. The reasoning behind this was clear. As clause four stressed, it was politic to make provision for the speedy transaction of urgent business but, in many ways, this clause was the admission of the impossibility of involving a large number of planters in anything more than a nominal way. The organisation was predestined to be very much a Kandy based one, and the presence of eighteen district members on the committee was no guarantee that those areas would be able to exert any appreciable influence on the solid phalanx of Kandy members. In many cases, the distances to be covered by either committee members or ordinary members wishing to attend general meetings, were considerable and the journeys were not only difficult in themselves but involved prolonged absence from the plantation which many planters could ill afford. In the first year of the Association's existence, eight committee meetings were held at which the nine-man Kandy contingent made a total of forty-nine appearances as opposed to only twenty-eight by the eighteen district members. Whereas only one Kandy member attended no meetings whatsoever, no fewer than ten district members found attendance at even one meeting more than they could manage.[17]

Even at the first meeting there was an indication of a deep divergence of attitude among members. Men such as Alexander Brown, were politically conscious and envisaged a future political role for the

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[17]Details of the attendance at committee meetings can be found in PA Proceedings 1854.

Association. In proposing the adoption of the draft constitution, Brown made an appeal to his audience, stressing that strength could be achieved only through unity. Whilst stressing, for the benefit of his more moderate listeners, that the Association was in no way intended to be an opposition to the government, he made a powerful declaration of what he felt to be the communal rights of the planters: 'Surely that body which is the mainstay and support of the country - which has made the Island what it is - is entitled to be heard and represented - , entitled to a voice in the Councils which govern it - entitled to be treated with respectful consideration - entitled to offer suggestions and make representations where such are clearly needed for its own good, and the common good.'[18] Brown ended his speech by declaring, 'Once convinced of the rectitude of our measures let us press them with vigour till we gain our point, having for our motto that of the late great Irish repealer Daniel O'Connell - agitate, agitate, agitate.'[19] There were those, however, who viewed the prospect of overt political action with less than enthusiasm. These were the men, such as Captain Bird, who viewed the Planters' Association as basically an amended form of the old Agricultural Society, predominantly, though not exclusively, concerned with the technology of the planting industry and with only a limited interest in political affairs.[20] Bird later drew a very strict line over which he felt the Association's activities should not stray. At the time the Association was formed

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[18] Report in the Observer, 20 February 1854.

[19] Report of meeting in the Observer, 20 February 1854.

[20] Bird himself was actually in England at this time.

this view was not so well articulated as that of Brown, but it existed and was to come to the fore in the following years.

A look at the size of the membership of the Planters' Association and at the attendance record of its meetings can give some idea of its strength in the late fifties and sixties. In the season 1858-9, the total membership stood at two hundred, but in the following year the number had decreased to one hundred and forty-eight because of the resignations of some dissident proprietors. By 1862, the membership had dropped still further to one hundred and twenty-five and, although 1863 was notable for a temporary increase to one hundred and forty-four, a decline was once more apparent in the succeeding years. By 1866-7 only seventy-five estates were registered with the Association.[21]

Even more significant was the attendance at both committee and general meetings. In 1859 this was so poor that the Chairman, R.B. Tytler, felt obliged to issue a circular to committee members on 29 April. This asked a fundamental question - 'how is it possible that one or two persons, upon whom the onus of deliberating, it may be upon questions of difficulty and importance, can afford general satisfaction, divided in opinion and sentiment upon so many points as the Planting Committee are?'[22] The general meeting of 20 April 1861 was attended by only eighteen members; that of January 1862 (which adopted the new constitution) by only thirty-three. Nor were these exceptional. Far more out of the ordinary was the gathering of over one hundred at the general meeting of June 1862. The average member

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[21] Membership details are available in PA Proceedings each year.

[22] PA Proceedings, 1859.

of the 1861-2 committee who attended any committee meetings at all was present at only two out of the six. Only the Chairman of the Association, Bird, was present at them all. Ten committee meetings were held in 1862-3, and each member attended on average only three of these. Gavin and Harrison of Keir, Dundas and Company were among those with the best attendance record, having been present at nine and five meetings respectively. In 1863-4 the pattern was identical. The most consistent attenders were Harrison and Leake and the same was true of the following year. The only real rival to the men from this agency, so far as presence at meetings was concerned, was Henry Bird. He shared many of the same views and appears to have been closely aligned with Harrison and Leake.[23]

During the 1860s the Planters' Association became increasingly dominated by the important Kandy agency of Keir, Dundas and Company. This firm was by far the largest in Kandy and, both because of its size and the fact that its offices were situated in Kandy rather than in Colombo, it was able to exercise a major influence over the Planters' Association until at least 1868. It produced three of the most impressive figures in the Association in the sixties, in the persons of Gavin, Harrison and Leake and the latter, who was Secretary of the Association until 1872, was one of the most influential figures in its history.

Until 1862, the firm of Keir, Dundas and Company was run by Keir and Dundas themselves, in partnership with John Gavin. One historian has gone so far as to say that 'Probably no Ceylon firm has ever had a

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[23]All figures are taken from PA Proceedings.

brighter time than Messrs. Keir, Dundas and Company enjoyed during the ten years, 1854-64.'[24] Unfortunately for the Company, the failure of Wilson, Ritchie and Company in 1864 had repercussions for both firms as they were engaged in several joint enterprises. The following ten years were lean ones, but the Company was eventually able to buy itself out of trouble and to become the largest estate owner in the island, although the decline of coffee led, naturally, to a decline in the prosperity of the Company.

The position which this firm achieved within the Planters' Association was facilitated by the constitutional changes adopted on 11 January 1862.[25] Certain proprietors resented the equality in voting accorded to superintendents and to some other members of the Association who had no real connection with planting. The idea was therefore mooted, as early as 1859, that property should become the basis of membership of the Association. Some estate owners had gone so far as to resign in protest at what seemed to them to be a completely unfair situation and a sub-committee was appointed to consider the question. This duly reported in favour of strengthening the position of the property owners. It was proposed that property should, in future, form the basis of membership and votes would be given in the name of plantations. In this way, those who owned more than one estate would come to possess a dominant voice in the Association. The committee further recommended that proxy voting should be allowed in

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[24] Quoted from J. Ferguson, Pioneers of the Planting Enterprise, section on W.M. Leake, vol. 2, p. 41.

[25] Planters' Association Proceedings, 1861.

the case of absentee proprietors and that those without property qualifications should not be allowed to vote on matters concerning taxation. The committee, and the Association, when it met to consider the proposals, were divided over the suggestions, but eventually a compromise was reached whereby membership continued on the same basis as before but voting on taxation matters was restricted to owners.[26] It would seem that the proposals which were not acceptable in 1859 were put forward again, and adopted in 1862. If the exact details are unclear, the implications are not. This can only be seen as a deliberate attempt by the larger interests in the Assocation to increase their powers as multiple owners and to weaken the position of the superintendents. There were many who openly regarded the change in this light. Alexander Brown, for example, made no secret of his critical view of events when he resigned the Chairmanship. He wrote, with regard to the changed constitution: 'We have run after a pampered few whom some would wish to set up as golden images for the Planters to fall down and worship - good men enough and highly respectable - pity indeed that we should want them, but still not so all important that we should consider them necessary to our very existence.'[27]

The important position of Keir, Dundas and Company in the Association is reflected by the key roles played by three of its men, Gavin,

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[26] Committee meetings were held on 25 May and 15 June to discuss the constitution. At the first of these, the proposal that property should constitute the basis of membership was passed only on the casting vote of the Chairman. A compromise was adopted at a General Meeting on 16 July. See PA Proceedings, 1859.

[27] Brown's letter to the Association Secretary is contained in the Sundry correspondence of the PA Proceedings for 1861.

Harrison and Leake.[28] Little is known of the early life of George Dennis B. Harrison, but he is known to have arrived in Ceylon in 1858 as an engineer with the Ceylon Railway Company. He left its employ soon and began to work on government irrigation schemes in the South Province. In 1862, he joined Keir, Dundas and Company. John Gavin first arrived in Ceylon in 1843 as an employee of Ackland, Boyd and Company and he formed his own agency, Pitts and Gavin, in 1848. When this partnership was dissolved in 1855, he became a partner in Keir, Dundas and Company. He achieved some measure of fame as one of the chief supporters of the Ceylon Railway Company and was actually the Company's sole supporter at the famous public meeting of August 1856. He was also one of the founders of the Planters' Association and was active on its committee throughout the remainder of his years in Ceylon. He was elected Association Chairman on 24 May 1862, in succession to Bird, but he held the post only until February 1863, when he returned to England.

Perhaps the most interesting, and certainly the most important of the three was W. Martin Leake, who was Secretary of the Planters' Association for the ten years following 1862. Born in London in 1832, his father was official Private Secretary to the second Earl Grey. He completed his education at St John's College, Cambridge, and then chose to make Civil Engineering his career. From 1856-8 he was apprenticed to J.M. Rendel[29] but in October 1861 he set sail for

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[28] Biographical details of all leading planters are available in J. Ferguson, Pioneers of the Planting Enterprise, 3 vols.

[29] President of the Institute of Civil Engineers and Consultant Engineer to the Ceylon Railway Company.

Ceylon, not to commence a career in planting, but at the invitation of Harrison. He had first met Harrison in 1856, and when, a few years later, his friend reported to him that prospects were good for engineers in the Southern Province, he lost no time in responding to his friend's suggestion. Leake worked in the south of the island until 1861 when, after a brief trip home, he decided to enter a completely new line of business. Both Harrison and Leake were introduced to the firm of Keir, Dundas and Company by a nephew of John Gavin named Anderson, with whom they had become friendly. Since all three partners in the firm were planning to retire home shortly afterwards, Harrison and Leake were able to take over the firm. Neither of them had had any real experience of the practical side of coffee planting at all. Leake was quickly elected Secretary of the Association and ten years later he became its Chairman.[30]

If Harrison and Leake lacked practical experience of planting, this was made good,to some extent, by their close association with Henry Bird who was Chairman of the Association for much of the sixties. He was a nephew of the George Bird who had opened the first coffee plantation in Ceylon in 1824. Henry became a partner in H.C. Bird and Company, another large Kandy agency. One of the most well-known planters of his generation, he lived at the most famous of his many estates, 'Farieland'. Although actually absent in England at the inauguration of the Planters' Association, he served on the committee

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[30]Even after his return to Britain in the mid-1870s, he continued to take an active interest in the affairs of Ceylon and served as London agent of the Association from 1877. He was also Secretary of the Ceylon Association from 1888-97.

from the time of his return to the island. He was elected planting member of the Legislative Council in 1855, in preference to George Wall, and he became Association Chairman in 1861 when Alexander Brown resigned. He himself gave up this position shortly afterwards, due to pressure of business commitments, but he was re-elected in 1863 and continued in the post for the following five years. Even though Bird had much practical experience of planting, the planting which he knew was carried out on a large scale and he was as divorced as Harrison and Leake from the struggle of the small planter whose livelihood could be shattered by a poor crop.

The political stance which had been adopted by the previous partners of Keir, Dundas and Company and, to a lesser extent, by the Colombo merchants, Wilson, Ritchie and Company, was a close alliance with the Governor. In this way, they attempted to bring influence to bear directly on the man in charge.[31] This policy was also favoured by the new partners. The firm had little to gain from any extension of the powers of the Legislative Council since the planting community would not have a decisive voice in it. Furthermore, the immediate corollary of any such liberalisation of the constitution would be an increase in the influence of the Burgher and other native Ceylonese communities who could not be relied upon to look sympathetically on planter aspirations. All that a large agency could wish to obtain from the government could be gained most surely by quiet influ-

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[31] It is possible as rumour had it that the voice of Keir, Dundas and Company was decisive in persuading Ward to favour the Ceylon Railway Company scheme in 1855.

ence with the Governor and to be seen to have the ear of the Governor was to further increase the importance of the firm.

Unfortunately for the agencies, MacCarthy proved less amenable to this type of influence than Ward had been. Whilst anxious to ingratiate themselves with the holder of the office of Governor, the partners of Keir, Dundas and Company and many other leading figures in the Planters' Association were confronted by an incumbent who was not particularly sympathetic to their demands. It was this which lay at the basis of the antagonism between Keir, Dundas and Company and the Planters' Association on the one hand, and MacCarthy on the other. The opposition to MacCarthy from this source in the early sixties was largely the result of frustration stemming from unheeded advice. Their criticisms were directed against the person of the Governor and the Colonial Secretary alone. No criticism of the governmental system as such was intended. When, in 1865, the time for taking sides on the constitutional issue arrived, the majority in the Planters' Association, led by Bird, Harrison and Leake, showed that their sympathies and hopes still lay with the autocratic rule of the Governor rather than with any liberalisation of the constitution as demanded by the Ceylon League.

From the time of its inauguration, the Planters' Association sought to influence affairs in Ceylon by putting pressure on the Governor. Under Ward, this policy was frequently successful. Under MacCarthy, however, the influence of the Association was greatly diminished and, as a result, the Association was loud in its criticisms of the Governor and the administration in general. Despite this, the Association was, and continued to be, a conservative element in Cey-

lonese society. It was the natural ally of the government and, despite the discontent felt under MacCarthy, it continued to be so.

PART II

Chapter 5

EARLY HISTORY OF THE RAILWAY

An examination of the formation and early history of the Ceylon Railway Company requires an initial glance at the British background from which it emerged. The Railway Era in Britain has been said by one writer to have begun on 15 September 1830 with the inauguration of the first modern railway from Liverpool to Manchester.[1] From that time onward, there was a steady flow of capital investment, and railway construction in the forties was able to absorb the entire British annual surplus seeking investment, which amounted to almost sixty million pounds. This boom was not untouched by the depression of 1837-42 but it continued and at the height of railway mania (1846-7) some quarter of a million men were employed on the construction of railways in Britain. By 1851, seven thousand miles of track had been laid and, although dividends in the early forties were often lower than anticipated, they were still usually higher than those paid on government stock, and an improvement did take place in the middle of the decade.[2]

The years 1844-6 saw a blossoming of railway schemes at home.[3] Nor was the upsurge destined to be confined to the domestic arena, for, as one writer has explained, the boom brought into being 'promoting and constructing organisations whose energy could not be restrained by political accidents and which were loath to cease activity when domes-

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[1] H. Perkin, The Age of Railway, p. 77.

[2] Much of the information regarding the railway era is drawn from Perkin, from H. Pollins, British Railways: An Industrial History, and from L. Jenks, The Migration of British Capital to 1875.

[3] In 1843, Parliament authorised the construction of one hundred miles of line. In 1844, the figure was eight hundred and by 1846, four thousand five hundred and forty.

tic opportunities became more restricted when competition reduced the profits.'[4] Slowly, promoters became aware of the potential overseas and many came to see their future in foreign schemes. Although ideas were broached at this time for railways in both Europe and the Empire - including eleven companies to build lines in India - little was to come of the Imperial plans, with the exception of a railway in Jamaica. Of the eleven Indian companies, only two survived the economic crisis of 1847-8. Most of the successful schemes were carried out in France and the Low Countries, the Paris-Rouen line built by the London and Southampton Company being the first to be constructed in France with British capital.

The world crisis of 1847-8 put an untimely end to many schemes but a proliferation of colonial plans is visible in the early fifties, caused by a definite limitation in the European field after 1848. Although, as Leland Jenks has said, 'Nearly every part of the world borrowed of England's capital surplus before she made notable use of it in her empire overseas,'[5] the movement did, nevertheless, eventually gather momentum, particularly in India under the guiding hand of Dalhousie. In India, of course, the system of construction was considerably more complicated than that which operated in England; the promoters demanded safeguards because they were working so far from home and thus there evolved the guarantee system. This meant that the government of India pledged itself to pay interest on the capital employed so as to ensure the shareholders received a minimum annual

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[4] Jenks, p. 127.

[5] Jenks, p. 193.

dividend on their investment. If the profit from running the line were less than this amount, the difference was paid by the government and if the profit were greater, the arrangement was usually one of profit sharing, with a possible rider regarding the reduction of fares.[6] The interest of the East India Company and the Imperial Government in the construction of railways in India was clear - they were not only of commercial but also of military and political importance in such a large and unsettled country.[7] Furthermore, there existed those, like Dalhousie, who saw railways as possessing a strong social and economic purpose and who hoped that just as the employment of British capital and labour in European construction had engendered local enterprise, so a similar result might be effected in India.

Who then were the key people behind these enterprises? All the British schemes were carried out by Joint Stock Companies, since any form of direct government construction was unthinkable, at least until the late forties.[8] The early buyers of railway shares were small, provincial investors rather than the business classes of London, but gradually London became the focal point of the enterprise and the shareholders came to have less and less control over the directors.

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[6] The first guarantee was given to the East India Company in 1844.

[7] A recent writer has shown that the Mutiny acted as a spur to railway construction in India, where railways had a recognised military importance. W.J. Macpherson, 'Investment in Indian Railways 1845-75, Economic History Review, VIII (1956).

[8] The Belgian Government was the first to decide to construct the main lines itself and this decision was followed by that of the French Government to proceed along similar but more limited, lines.

In many cases, the latter themselves began to fall under the dominance of either large financial interests or the contractors who had formerly been employed by them.

Enormous scope existed for unscrupulous promoters, particularly in the later 1840s; schemes behind which there was little or no intention of actual construction were projected, deposits collected and the directors shares sold at a premium. The company was then quietly wound up. Nor were directors always above giving agents company money with which to buy shares to increase the price. The worst of these directors could, as has been said, 'steer the company's spending toward the purchase of land, equipment or materials, often at inflated prices, in which they had a private interest.'[9] Names such as Leopold Redpath[10] and George Hudson[11] soon became notorious and severely tarnished the image of the whole enterprise.

The Ceylon Railway Company

A modern writer has asserted that 'The key groups whose pressure led to the launching of modern railways in India were the great English and Scottish mercantile houses trading in the East'.[12] This statement is equally valid with regard to the formation of the Ceylon Railway

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[9] Perkin, pp. 182-3.

[10] Redpath was the Registrar of the Great Northern Railway who was convicted of embezzling and transported for life in 1857.

[11] Throughout his career, Hudson operated just within the law. By 1848, he controlled companies worth £30,000,000 but following investigations into the accounts of his companies in 1849, he was forced to resign and in 1855 he fled abroad.

[12] D. Thorner, 'Great Britain and the Development of India's Railways', Journal of Economic History, XI, 1851.

Company. The Deputy Chairman of this body stated in 1847 that the Company's promoters were 'for the most part Gentlemen closely connected and intimately identified with the Interests of the important Colony of Ceylon.'[13] A glance at the list of directors in 1845 lends credence to this view. Of the twenty-three named in official returns, fourteen belonged to mercantile firms with interests in Ceylon. The others comprised a Ceylon government official, an ex-Ceylon government official, a director of the Bank of Ceylon, the Secretary of the East India Railway Company, an ex-Lieutenant in the Ceylon Rifle Regiment and an ex-East India Company servant. None of these people was resident on the island and, although those with commercial interests there might hope to reap the benefits of improved communications, the main aim of the enterprise was to make money from the construction of the railway itself. By July 1848, the thirteen remaining directors owned almost one quarter of the shares sold.[14]

Although the idea had been previously mooted in Ceylon, the original impetus for a railway in the island came neither from the colony nor from the Secretary of State, but from this group of men in London. They approached Lord Stanley with the nucleus of a scheme in 1845. The attitude of the Colonial Office at this time was non-committal and the matter was referred to the Ceylon government. Before any answer was received from the colony, before indeed the despatch in question could have arrived in the island, the Ceylon Railway Company was provisionally registered under the Joint Stock Companies Act of 1844.[15]

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13 Letter from Company to Grey, enclosed in despatch from Grey to Torrington, 11 May 1847, BPP vol 63, 1847.

14 BT41/135/785/2069/1 and C.246/27.

15 Details of the provisional registration of the Company can be seen at BT41/135/785/2069/1.

By October 1845 twenty-four shares had actually been allotted and a local committee appointed to act as the Company's mouthpiece in Ceylon.[16] Governor Campbell's reception of the scheme was warm, as was that of both the Executive and Legislative Councils and Campbell was able to write that he had obtained 'their concurrence in my opinion that this undertaking if successfully executed will be very conducive to the prosperity of the Country.'[17] The two Councils even recorded decisions in favour of the free grant of necessary land to the Company although this was a point which was soon to become controversial.

The Company was provisionally registered as occupying premises at 8, Broad Street Buildings, the same address as the East India Railway Company. The avowed object of the Company, as declared at this time, was 'The Establishment, construction and maintenance and working of Railway communications between Colombo and Kandy, and other parts and places in the Island of Ceylon and the prosecution of all operations and undertakings which may be necessary or convenient for the purposes thereof or which may advantageously be prosecuted or carried on in connection therewith.'[18] A fairly comprehensive monopoly was obviously envisaged and the arguments used in support of the scheme were mainly concerned with the opening up of the country and the exploitation of its resources. Nothing is more indicative of the changes

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[16] The committee was composed of Parke, Darley, Wilson, Armitage, Crabbe, Gibson, Gallway, Sanders, H.L. Layard and G.B. Worms.

[17] CO54/219/241 24 November 1845.

[18] Schedule to the Deed of Settlement; description of the business of the Company BT41/135/785 C.246/23.

which took place in Ceylon in the early fifties than the fact that a mere ten years later the country had been largely opened up and the driving force behind the construction of the railway had become the need to transport the vast quantities of coffee then being produced.

It was tentatively estimated in 1845 that the line was likely to cost around £6,000 per mile, although it was hoped that on many stretches of track the final figure would be less than this. Late in 1845, a surveyor, a Mr Drane, was sent out to the colony to survey possible lines and to report back to the Company's Consulting Engineer, Mr Rendel. The execution of this survey does seem to indicate that the Company scheme was a serious one. Drane's Memorandum, when completed, indicated that a line could be built - not exactly from Colombo to Kandy but from points about three miles outside each town - for £798,000.[19] Drane himself admitted that this estimate was a very approximate one, but his figures were accepted without question by all the parties involved. Parke, Chairman of the railway committee in Ceylon, described the scheme advocated by Drane as 'not merely perfectly practicable, but in facility of Execution far exceeding the most sanguine Expectations which had been formed by the Promoters of the Line or the Consulting Engineer in England, Mr. Rendel'[20]. Slightly before this, however, it had been announced that the promoters of the East India Company had been granted an Imperial guarantee and this led to requests both in Colombo and London that the Ceylon railway project should be similarly favoured. Without such a grant,

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[19] Drane's Memorandum can be found at CO54/233/28 13 February 1847.

[20] CO54/233/28 13 February 1847. Letter from Parke to Tennent.

it was contended, the Ceylon Company would be at a great disadvantage. In April 1847, Grey turned down this request.[21] In the following month, however, he announced his willingness to accept the other terms put forward by the Company directors, with certain modifications.[22] These involved the acceptance of the idea of a colonial, as opposed to an Imperial, guarantee and the free grant of all the necessary land for ninety-nine years. By June, problems regarding the future purchase price and the carriage of government mail and troops had been ironed out and an ordinance (containing the terms of the agreement) was in the process of preparation for submission to the Legislative Council. Unfortunately, the economic crisis of 1847-8 intervened and, by September 1847, Torrington was forced to write to Grey admitting that the colony could not possibly manage to pay the five per cent guarantee in the existing economic climate. He emphasised that there was thus no prospect of plans for a railway bearing fruit in the near future.[23] The Company itself entered a period of dormancy and almost faded from the scene.

It seems likely, though the evidence is not complete, that some of the Company's proceedings had not been above board. To begin with, the figure in its prospectus of seventy-nine thousand cart journeys along the Colombo to Kandy road each year was an exaggeration designed to boost the prospects of the Company. More important was Dr Elliott's

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21 Letter from Hawes to Company, 21 April 1847 in BPP vol. 63 1847, p. 12

22 Letter from Grey to Torrington, 11 May 1847 in BPP vol. 63 1847, p. 12.

23 CO 54/251/156 8 September 1848

later charge that only one-third of the original scrip had ever been issued, with the result that the price had risen and men had been able to sell their cheaply-acquired shares at a handsome profit.[24] Certainly, although the Company was originally registered to raise £300,000 in twenty thousand £15 shares, the records show that just over five thousand shares had been issued by 1847 and in 1853 the figure was still below six thousand five hundred. Despite this, the Company turned down a number of applications for shares saying that, because of the immense demand, not all applications could be favourably considered. It is hard to interpret this action in an uncritical light.[25]

It is worth emphasising that this first attempt at railway construction was one for which the impetus came mainly from large mercantile firms interested in Ceylon such as Binny and Company, Bell and Company and Philips and Son. Some Colombo firms took an interest in the plans and were even represented on the Board and there was considerable support in the colony for the idea of a railway, but the scheme was less a response to colonial needs and demands than a typical example of the extension of British capitalist enterprise in the mid-1840s. It is here that the contrast between the first and second railway schemes is most striking, for the impetus for the next attempt at railway construction, which involved the same Company and which was equally unsuccessful, was to come very definitely from the colony.

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[24] The claim was made in a speech at a Public Meeting in Kandy on 19 July 1856 which was reported in the Observer, 21 July 1856.

[25] The Observer reported on 25 August 1856 that the Company's brokers, P. Cazenove, had withdrawn from their post because of the 'sharp practice' carried on by the Company.

Steps toward a railway 1850-4

The first step toward bringing the question of a railway to the fore once again was taken in February 1850, when the Colombo Chamber of Commerce appointed a sub-committee to consider the matter. Following this, a meeting was held and a Memorial was sent to Governor Anderson stressing that 'A railroad had become indispensable for the prosperity and safety of the Agricultural interests of the Colony.'[26] The Governor's reaction was to reject immediately any possibility that a railway could be financed from ordinary colonial revenue. Instead, he wrote to David Wilson[27] enquiring as to the form of extra taxation which would be most acceptable to the planters and merchants. Wilson, in his reply, refuted the idea that such taxation was necessary at all and he supplied detailed suggestions as to how the ordinary revenue could be increased sufficiently to pay the costs of construction.[28] The line proposed in this letter was one from outside Colombo to Gordon's Bridge on the edge of the foothills, with a branch line to Gampolla. The Chamber of Commerce estimated that £40,000 - to be raised by the methods outlined - would be sufficient to pay the interest on the necessary capital for three years. After three years, it was assumed the profits of the line would be such as to render

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[26] Memorial to Anderson, 4 December 1850, quoted in the Ceylon Times, 7 February 1851.

[27] A leading member of the Chamber of Commerce.

[28] CO54/314/12 12 January 1855. The letter was written on 23 January 1851 and originally forwarded to London on 16 April 1851. Wilson's suggestions for raising money included greater land sales, the sale of the cinnamon gardens, the Commissary stores and the steamer 'Seaforth' and the remission of the military contribution of £24,000 per annum.

contributions by the government unnecessary. Not only did this letter deny the unavoidability of increased taxation, but it also categorically stated that this would be an unacceptable price to pay for a railway.

The colonial government remained uncertain as to whether the profits would be sufficient to pay the guarantee after the three years had passed, and the Governor accordingly recommended to the Colonial Office that the scheme be turned down.[29] Although the Colonial Office had no objection, in principle, to the construction of a railway in Ceylon, there were doubts regarding the stability of Ceylon's financial position, and the Secretary of State therefore accepted the advice of the Governor and decided against the proposal.[30]

The early fifties saw the Chamber of Commerce take an increasingly active role on a wide range of issues and a steady flow of Memorials ensued on a range of subjects from administrative defects and constitutional failings, to the campaign against the adulteration of coffee with chicory, a practice then extensively carried out in Britain.[31] The railway was only one of the focal points of agitation for the merchants. In contrast, these years passed without any significant exhibition of interest in a railway from the planters in the island, other than a very few isolated expressions of opinion from individuals.[32]

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[29] CO54/278/29 10 March 1851.

[30] Minutes on CO54/278/29 10 March 1851.

[31] Examples of Memorials from the Chamber of Commerce can be seen at CO54/282/174 8 November 1851 (abolition of the cinnamon duty) and CO54/302/162 12 November 1853 (adulteration of coffee).

[32] A planter wrote to the Ceylon Times on 24 January 1851 expressing his fears that too high a price could be paid for the railway. He

Nor can the failure of the planters to seize upon the idea of a railway as speedily as did the merchants, be attributed solely to their lack of formal organisation; there were other contemporary issues, most noticeably the adulteration question, on which planters meetings were held and on which some collective action in the form of Memorials was taken. It may simply have been that concerted action was more easily achieved in protest against an apparent wrong than in support of any constructive measure; it is more likely, however, that the circumstances surrounding the coffee industry at this time rendered transport a subsidiary problem, weighing far less heavily on the minds of planters than the iniquities of the Surveyor-General's office, which they believed to be actively hindering expansion. Whatever the reason, it is clear that leading planters were slower than their mercantile colleagues to appreciate the benefits a railway could bring them.[33]

The mercantile community maintained the pressure for a railway and at a meeting in late 1852 a sub-committee of prominent merchants was formed to enquire once again into the practicability of a line. The committee's report was presented to a public meeting in March 1853 and a resolution stating that a railway would be of incalculable advantage to the colony was accepted.[34] The question of how to finance

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pointed out that little benefit would be felt by some districts to compensate for the imposition of an export duty.

[33]Some planters attended the Exchange meeting on the constitution but there is no evidence that any planters were present at the railway meeting of December 1852.

[34]The meeting, which was chaired by Armitage, was held on 1 March. A resolution affirmed that 'the speedy realisation of a rail road between Colombo and Kandy would be of incalculable advantage to the Agricultural Community and all other interests of the Colony, and that it would yield a fair remuneration to the shareholders.' CO54/298/21 23 March 1853. Ceylon Times, 4 March 1853

the line was neatly by-passed by the suggestion that a deferred guarantee should be proposed so that interest was payable only when part of the line came into operation.[35] The meeting also accepted a proposal that one hundred acres of land should be granted to the Company shareholders for every mile of railway completed.

When this scheme was submitted to Anderson, it won his approval as well as that of the Executive Council, since the proposal for a deferred guarantee seemed to protect the financial interests of the colony.[36] The Colonial Office was quick to point out, however, that there was no certainty that any party could be found to undertake the work on these terms. Enquiries then uncovered the fact that the Ceylon Railway Company was still in existence and tentative negotiations were begun. A vital step had thus been taken solely as a result of pressure from the mercantile community. Nor is there any evidence to suggest that the Ceylon Railway Company was in any way behind the agitation of the merchants. On the contrary, it soon became all too apparent that the Company was not at all prepared for the resumption of negotiations. Nevertheless, the directors agreed to re-open the scheme. They were adamant, however, and this is further proof that there was no collusion with parties in Ceylon, that the conditions which had been suggested on the island were impractical in view of the more favourable terms recently granted to companies

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[35] The proposal was that a three per cent guarantee should be given on £350,000 to be paid as soon as the railway was in operation from the Bridge of Boats (outside Colombo) to Gordon's Bridge. Five per cent would be payable on the entire sum of £800,000 once the line was completed to near Kandy.

[36] CO54/298/21 23 March 1851.

operating in Canada and India. Instead, they suggested the re-adoption of the 1847 terms, although they were prepared to concede the principle of a deferred guarantee in return for a large grant of land. A deputation from the Company met the Duke of Newcastle[37] in June and the Company subsequently agreed to abandon the 1847 terms, proposing instead that a contract similar to that granted to Indian companies should be adopted.[38] This would involve entrusting the actual construction of the line to a contractor who would agree to finish the work within a certain time and to whom the Company would pay interest at five per cent until the railway opened. After that time, the interest paid by the Company would be added to its capital stock on which the Ceylon government would guarantee a dividend.

Unfortunately, the derangement of the money market toward the end of 1853 prevented the taking of any decision; despite two attempts by the Colonial Office to encourage action, the Ceylon Railway Company directors felt unable to commit themselves until the financial climate improved.[39] At this stage, it is interesting to note, Newcastle believed that it was absolutely essential to tie the Company down to a specific cost and to a shorter period of guarantee. On 27 July the Colonial Office wrote to the Company in clear terms: 'His Grace directs me to state that in the first instance, and without prejudice to the ultimate right of Her Majesty's Government to decide freely on their application, it

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[37] Newcastle was then Secretary of State for the Colonies.

[38] CO54/304 Ceylon Railway Company to Colonial Office, 15 June 1853.

[39] CO54/312 Ceylon Railway Company to Colonial Office, 16 December 1854.

is indispensable that the Company should so far amend their proposals as to name some specific sums as the amount of capital on which they wish a dividend to be guaranteed by the local Government, and also greatly reduce the number of years which [sic] such guarantee is to be continued.'[40] These were later to be the main demands emanating from the colony. Although nothing came of this request, it was to prove unfortunate for the colony that future Secretaries of State did not follow Newcastle's lead.

It was only in 1854 - following the inaugural meeting of the Planters' Association - that the planting body began to take a serious interest in the railway question. Even at the first meeting, precedence was given to resolutions on the Survey and Road Departments and the Road Ordinance.[41] It is noticeable, too, that the resolution on the railway was actually proposed by Keir, a leading mercantile figure, and it called primarily for cooperation with the Chamber of Commerce in order to secure a railway. Thus it was that the planting interests, albeit belatedly, added to the pressure already emanating from their mercantile colleagues.

At a Planters' Association committee meeting on 13 March a sub-committee was appointed to collect information about the possibility of a railway and to put forward recommendations.[42] Its Report formed

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[40] CO55/96 27 July 1853.

[41] Resolution six of the Planters' Association meeting held on 17 February 1854 dealt with the railway. Observer, 20 February 1854.

[42] This sub-committee comprised Keir, Gerard and Pride. This was merely one of several sub-committees appointed to look into a wide range of subjects from the cost of rest sheds and wells on the North Road, and the system of road labour to the difficulties of obtaining Crown land for cultivation. No special importance was attached to the railway.

the basis of a Memorial from the Planters' Association in July.[43] The general conclusion was that there was an urgent need for an improved transport system since it seemed that the supply of carts could not meet the demands placed upon it by the expanding coffee industry. Speed, it was emphasised, was the criterion of efficient transport and it was claimed that in the season of 1853-4, only just over half the crops had left the island before the onset of the monsoon, with the result that the cost of freight and insurance was greatly increased. The Report concluded, 'If these drawbacks, costly transport, high freights, low prices, dear policies, deterioration and loss - which have been entailed on Planting Interests during a single season, by the difficulty of conveyance, be added together, they will form an aggregate of evil sufficient to justify the loudest clamour for the establishment of a Railway, and to show its imperative necessity.'[44] The proposal advanced was that the Imperial Government should borrow the sum of half a million pounds, on a Ceylon government guarantee, with the power to increase this to one million if necessary. The Ceylon Railway Company would then be paid off and the work let to contractors.

The scheme was clearly based on the assumption that the Ceylon Company had already failed. The calculations on which the claims regarding the viability of a railway were based were of some importance for the future since it was estimated that the return from the railway (on the basis of goods traffic alone and taking no account of

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[43] Observer, 3 August 1854

[44] Planters' Association Proceedings 1854. The report was based on the assumption that the Company scheme had failed.

possible increases) would be £69,000. If Drane's estimate of the annual expenses, £25,000, were deducted, approximately £44,000 per annum would be left from which the interest on the £800,000 could be paid. The payment of interest at a rate as high as five per cent could therefore be contemplated with equanimity, and the Report admitted that four per cent would probably be too low a rate.

Whilst the Planters' Association gave preference to the idea of the work being undertaken by contractors with money raised by means of an Imperial loan, the way to alternatives was not closed. This was wise since the Imperial Government had rejected the idea of an Imperial guarantee in no uncertain terms in 1847 and a reversal of previous policy was unlikely. By clearly dismissing four per cent as too low a guarantee and by proving that five per cent or even five and a half per cent could be paid, the committee had taken a portentous step. Apart from this one point, however, the Report was vague on those issues which were later to become such contentious ones. The arguments propounded by the Report and accepted by the meeting were in favour only of a line from the coast to the interior, and even Skinner's scheme for a line from Kandy to Trincomalee was not rejected out of hand. Unanimity had been achieved only by the deliberate shelving of the most important issues, such as how the railway was to be financed, whether it should be constructed by a company or a contractor and which route the line should take.

Chapter 6

THE GOVERNOR AND THE RAILWAY

By any criterion, Sir Henry Ward can be said to have arrived in Ceylon at a most important stage in the development of the colony. He was faced with largely the same problems as those faced by his immediate predecessors, yet the increases in the revenue provided Ward with unprecedented opportunities for solving them.

The prosperity in Ceylon and the apparent stability of the London money market made progress on the railway more likely than it had appeared since the days before the 'crash' of 1848. Nor was Ward slow to throw his weight behind demands for a railway. There were loud calls for the construction of a line from both planters and merchants and it is probable that MacCarthy reported the results of his interview with a mercantile deputation in March to the new Governor. This had demanded a railway at any cost. The planters had long complained of the condition of the roads and the difficulties of transporting coffee; Ward accepted the justice of their complaints that the road system was inadequate to meet the demands of the developing economy. In his opening speech to the Legislative Council in July 1855, the new Governor expressed his opinion that 'no increase in the means of conveyance now in use, could keep pace with this increase of productive power, and no ordinary Road could afford accommodation to the number of additional Carts and Bullocks that would be required, were it possible to procure them.'[1]

The railway soon became the central feature of Ward's entire plan for the improvement of the colony. His programme was based on the

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[1] CO54/316/53 11 July 1855.

belief that ensuring the prosperity of the coffee industry was not only a worthwhile end in itself but that the increased revenue which it brought to the island would allow the colonial government to take measures to advance public works, such as irrigation. From this wish to develop the social and economic policy of the administration arose the Governor's proposal that an extra £100,000 should be raised on the railway guarantee, for use on works which would benefit the indigenous population. The Colonial Office was horrified at the idea of combining entirely separate matters,[2] but to Ward the idea was entirely rational; the railway and public works were but two aspects of a wider plan. It was for this reason that the Governor came to support the idea of a general export duty instead of one levied on coffee alone. Since he believed the railway would be of benefit to the populace as a whole, whether directly or indirectly, it seemed entirely equitable that the duty which was to help finance the project should be broadly based. Unlike his successor, Ward was reluctant to economise on schemes of public improvement in order to finance the railway.

Not only was Ward soon convinced of the need for a more efficient form of public transport in Ceylon, he was also quickly convinced that the best method of construction lay through the agency of the Ceylon Railway Company. Ward felt the same reluctance as the Colonial Office staff to see the colonial administration too closely involved in the details of construction. He admitted in his Opening Address to the Legislative Council in 1856 that he viewed 'with much apprehension,

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[2] Notes and drafts on CO54/316/53 11 July 1855.

the complicated series of transactions, in which the Local Government would be engaged, by the necessity of raising the Capital required for so large an undertaking upon Bonds...'[3] In a despatch a year earlier, he had announced his general support for the Company scheme; 'the entire direction of the Railway, both during its construction, and when at work, should, I think, be placed in the hands of a Company, without any other intervention on the part of the Government, than that amount of general supervision and control, which are indispensable for the Public Security, and of which the system adopted in India presents the best model'[4] It is conceivable that Ward's adherence to the Company scheme could have been shaken had a convincing argument been made out for an alternative method of construction which avoided the involvement of the local government in the day to day details of construction. However, he was anxious to expedite matters as much as possible. An energetic and somewhat impatient man, with only a six-year term to serve in Ceylon, he had no time to waste if he were to see his labours bear fruit.

From the beginning it was Ward's belief that a line should be constructed to connect the towns of Kandy and Colombo.[5] It was his reluctance to sanction a partial line which persuaded Colonial Office officials to reject the scheme for a fifty-five mile line. So resolute was he in this view that he even indicated his willingness to

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[3] CO57/23 13 July 1856.

[4] CO54/316/53 11 July 1855.

[5] Various schemes for a shorter route, for example from Colombo to Gordon's Bridge had been mooted.

consider negotiation with other parties if the Ceylon Railway Company proved reluctant to undertake the entire line. Unfortunately, he was never over worried about the terms on which agreement was reached. Having decided that the railway must go ahead, his only concern was that a contract should be arrived at with some party - preferably the Ceylon Railway Company - who would be willing to begin work quickly.[6] As a result of this, he failed to adopt a firm line over the Resolutions of the Executive and Legislative Councils, passed in August 1855, and he gave the Colonial Office freedom of action to agree whatever terms they could with the Company. He went so far as to write to the Colonial Office, saying that 'I have little doubt that provided the undertaking be place in safe hands, and the Colony have the assurance that the Railway will be completed within a reasonable time, the terms which Your Lordships may think just, upon a full consideration of the case, may be ratified here by Ordinance.'[7] The resolutions of the Councils were not, he stressed, to be regarded 'as conditions, without which the Agreement to be concluded by Your Lordship will not be adopted.'[8] A year later, however, the failure of the Provisional Agreement to comply with the Resolutions of the Legislative Council formed one of the main reasons for the opposition with which that body met the Agreement.

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[6] Much later Ward was to admit that he had felt opinion in the island to be so divided on the question in mid-1855 that he had adopted a deliberate policy of forging ahead with his own plan in preference to wasting time trying to conciliate the various groups. CO54/318/59 15 November 1855.

[7] CO54/316/91 16 August 1855.

[8] Ibid.

By early 1856, the discontent felt by many in Ceylon over the trend of the railway negotiations had gathered momentum. The enthusiasm of the Chamber of Commerce had cooled noticeably and the merchants were no longer preaching the necessity for a railway at any price. Instead they tended to favour construction by the government. A public meeting in Kandy on 2 February adopted a hostile attitude to the idea of construction by the Company and expressed its fears regarding the possible cost of the line.[9] It demanded a survey to estimate the likely cost of construction before any agreement was concluded. News of the London meeting of December 1855 and of the subsequent Memorial from Baring Brothers and others urging that the government undertake the task of building the line through contracts, had also reached the colony.[10] As well as this, fears were expressed that the Ceylon Railway Company would be unable to raise the necessary money in time because of the difficulties which it was experiencing over the ownership of the original Company scrip.[11]

Ward did not ignore this increasing discontent completely and his enthusiasm for the Company scheme also cooled a little. In forwarding a Memorial from the public meeting of 2 February, he admitted that the general feeling in the island was hostile to the Company and that this would 'present a serious obstacle to the working of any company since

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[9] Report of meeting in CO54/321/19 6 February 1856.

[10] The Minute of Opinion presented to the Secretary of State after the meeting was printed in the Observer of 14 January 1856.

[11] CO54/316/91 16 August 1855. In 1845 all shares were issued at £2 but the price then sank to 9d. Many owners could no longer be traced and it was feared that the scrip might have accumulated into a few hands.

the arrangements proposed by the Secretary of State must be adopted by the Legislative Council.'[12] There are indications that Ward himself began to lose faith to some extent in the Company at this time, probably because of the apparent delays in the negotiations and the stringent criticisms voiced in the colony. He wrote to the Secretary of State on 6 February admitting that he found it 'impossible to deny that a Company would desire, and endeavour, to add a dividend out of profits, to the six per cent guaranteed, and that the probable mode of arriving at this Dividend would be by a high tariff.'[13]

By the time this despatch was received in the Colonial Office negotiations with the Ceylon Railway Company had advanced considerably and an agreement was imminent. Ward's equivocation thus came too late to influence proceedings. However, he continued to worry over the likely reception of any agreement in the colony as a whole and in the Legislative Council in particular. Whereas he had felt in the previous year that any reasonable proposal would be acceptable, he now had second thoughts. 'I am bound, this year, to admit,' he wrote, 'that I cannot forsee the issue of my proposal, however reasonable or advantageous per se, supposing the Council to represent the conflicting opinions, that unquestionably prevail out of doors.'[14] This uncertainty was banished once he saw a copy of the Provisional Agreement, however.[15] He immediately forgot his previous worries and wrote in

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[12] CO54/321/19 6 February 1856. This argument ignored the fact that the Governor could command an official majority in the Legislative Council.

[13] Ibid.

[14] CO54/322/Confidential of 9 June 1856.

[15] This reached the colony in July 1856.

ecstatic terms to Labouchere to express his delight at the terms secured.[16] In order to forestall possible opposition from sections of the colonial community, he suggested that the Royal Assent should be withheld from the Legislative Council Ordinance incorporating the Agreement until such time as a survey could be undertaken to make certain that a line could in fact be constructed within the limit of £1,200,000.[17] On this condition, the Council accepted the Agreement, but only after much resistance from certain members.

Unfortunately, it proved impossible, for constitutional reasons, to suspend the grant of the Royal Assent in this way. Instead, a Supplemental Agreement was drawn up which arranged that the contract would come into force only if the survey proved satisfactory as regards cost. An engineer, Captain Moorsom, arrived in the island and proceeded to conduct the required survey with a sum of £10,000 voted by the Legislative Council. His Report appeared to be all that any advocate of the railway might have desired, for it seemed to show that a line via the Parnepettia Pass could be built for only £856,557. Ward was generous in his praise of the quality of Moorsom's work[18] and was so convinced of the accuracy of the survey that he quickly pointed out to the Colonial Office that a substantial amount would be left within

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[16] Ward wrote privately to Labouchere, 'I never conceived that the Company would have assented to terms so favourable to the Colony and I cannot conceive that the Colony will be foolish enough to reject them.' Letter 5, 10 July 1856.

[17] This was the amount which it was generally believed the colony could afford.

[18] Ward wrote of Moorsom's Report: 'having seen his Report, I am bound to tell you that I think he has done his work with great judgment and that all his results are sound.' Private letter from Ward to Labouchere, 27 April 1859

the £1,200,000 limit which could be used for the construction of branch lines.[19]

There was no possibility of the immediate commencement of the work however. Although the survey which Moorsom had carried out had considered the merits of six different routes, finally deciding in favour of the one via the Parnepettia Pass, no precise line had been traced. Instead, only a general course had been drawn, which was approximately half a mile wide. According to the contract, the exact details were to be worked out by the Consulting Engineer, who was to be appointed to advise the colonial government. In fact, no such appointment was ever made. The Governor raised the question of this appointment on numerous occasions throughout the year, but the Colonial Office officials remained adamant that it would be a totally unnecessary expense.[20] Instead the Company appointed its own Consulting Engineer in London. Ward was later to blame this decision not to fill the post of Consulting Engineer to the colonial government for many of the ensuing difficulties but at the time he acquiesced in the alteration in the system with much less reluctance than he was later to claim.[21]

The problem remained of tracing the exact line for the permanent way and the Company eventually sent out its Resident Engineer, Doyne, to undertake the task. He had been at work only a short time when he reported that changes were needed in the first twenty miles of Moorsom's

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[19] CO54/329/90 23 May 1857.

[20] Minute on CO54/330/173 29 September 1857

[21] He wrote privately to Labouchere on 14 December 1857 'though the Railway Agreement was a capital one to carry, it would have been a very bad one to work if construed too strictly.' Work would proceed better, he felt, without a Consulting Engineer in Ceylon. Letter 46.

route. Ward agreed that the changes were inevitable, though making the line much less direct, but this was the first sign that all was not destined to progress smoothly. The time clause in the contract with the Company, within which it was obliged to complete the works, was due to come into operation only after all the land needed for the line had been handed over to the Company by the government. Since the exact trace was not known and Doyne's work was confined to the lower reaches of the route, it was obviously impossible for the government to purchase all the land required. Hence there was no question of the Company's being bound by this clause. This fact was completely overlooked by Governor Ward. Instead, with his characteristic enthusiasm, he went ahead with the turning of the first sod at a lavish ceremony in Colombo on 3 August 1858.[22]

By early 1859 it was apparent that the system by which the works were administered was grinding to a halt. In theory, Doyne, as Resident Engineer, was entrusted with a considerable degree of responsibility and was not subordinate to the Consulting Engineer in London. The Board in London appeared unwilling, however, to allow Doyne the freedom which his instructions promised him,[23] and there was a series

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[22] Even the Directors of the Ceylon Railway Company who were not noted for their parsimony, were later to record 'with much concern that an expenditure of £11,900 appears by the accounts to have been incurred for festivities ... and they feel bound to record their disapproval of such uncalled for expense as inconsistent with the strict economy so essential to the successful prosecution of the enterprise.' CO/54/340 18 November 1858, Ceylon Railway Company to Colonial Office.

[23] Clause 11 of Doyne's Instructions stated that although he was free to correspond with the Consulting Engineer in London with a view to their mutual cooperation 'he is not to take instructions from the Consulting Engineer.' This point was reinforced in clause 77 where the Board stated that they had 'no desire to impose restrictions which

of disputes over such apparently trivial matters as the food allowances due to the staff.[24] In the absence of a government Consulting Engineer, Doyne was called upon to liaise with the government, and hence the Governor was drawn into the disputes occurring between Doyne and the Board at home and not infrequently called upon to arbitrate. The desire of the Board to curtail Doyne's powers was most strikingly illustrated by the appointment in mid-1858 of a Company Agent in Ceylon who was given power to sanction every staff appointment and every item of expenditure incurred by Doyne.[25] He was also given the sole power to issue stores. The virtual subordination of Doyne to this man was exacerbated by the fact that Mr Cumming, the gentleman given the post, had no previous experience of railway work whatsoever. When he left the island in late 1858, he entrusted the affairs of the Company to a store clerk and Doyne, on the advice of the Queen's Advocate, applied for, and was granted, a court order restraining this man from spending any of the Company's money.

Doyne's difficulties were increased by the deterioration of his relationship with Gregory, the Consulting Engineer in London, and the quarrels between them severely retarded the progress of works in Ceylon.

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should take from the Chief Resident Engineer that reasonable latitude of action which may be necessary to enable him to discharge the duties entrusted to him with satisfaction to the Ceylon Government and to the Board, and with credit to himself.' Quoted in W.T. Doyne, Causes which have retarded the construction of railways in India, pp14-16.

[24] At first the Directors refused to allow the Company to provide food, as the contract stipulated expenses; they then refused to agree to the scale of allowances approved by Doyne. Eventually over this and several other trivial matters, a solution was reached only after an appeal to the Governor. Doyne, pp 17-18.

[25] Why the Board wished to curtail Doyne's powers is not clear. It may have been part of a plan to delay works or may simply have been the result of distrust.

Ward had no hesitation in deciding who was to blame and he was convinced that Gregory concerned himself too much with matters with which, in my judgement, the Consulting Engineer at Home has nothing to do, since if the Resident Engineer be not competent to decide upon the dimensions of an Iron Bridge to connect two pieces of embankment ... still less can he be fit to conduct the Surveys for the Upper half of the line on which the expenditure of two-thirds of the capital depends.'[26] This particular argument referred to by Ward arose over a number of small iron girder bridges ordered by Doyne for the track in the low country. Gregory felt that some improvements could be made to the specifications sent to England by Doyne and, despite the trifling order of the changes proposed, referred the matter back to Doyne before submitting the order. Although Doyne replied that he was unconcerned with such minor changes, the Consulting Engineer still did not place the full order. Instead he arranged for two of the bridges to be built and subjected to tests. As late as April 1860, the bridges had still not arrived in Ceylon and without them there were gaps in the earthworks which prevented the laying of the rails.[27] It was thus hardly surprising that the editor of the Ceylon Times was prompted to write in April 1860 that 'the line is as far from being in an effective state as if not a shilling had ever been spent.'[28]

Ward soon came to regard the decision to have a Consulting

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[26] CO54/343/75 14 April 1859.

[27] A slightly different view of this episode was taken by the Company. See p.127

[28] Ceylon Times, 17 April 1860. Extract in Newcastle Papers NeC. 11,003.

Engineer in London rather than in Ceylon as the root of all the difficulties. Writing to the Duke of Newcastle in 1860, he outspokenly criticised the 'unfair, and unsafe position, in which the Governor of this colony is placed by Mr. Labouchere's decision not to allow him the protection of a Consulting Engineer of his own.'[29] Later in the same month, he wrote privately to the Secretary of State (who had supported Gregory as staunchly as Ward had supported Doyne) that 'the powers assumed by Mr. Gregory, as Consulting Engineer, are not only not recognised by the Ordinance, and the Agreement, but are directly at variance with them.'[30] Ward believed most strongly that the construction of the railway could not and should not be directed from England and the clash between local and London management was enhanced in importance by the warmth with which Ward defended Doyne and the righteousness with which the Colonial Office supported the Board of Directors and Gregory.

The foreseeable difficulty over the time limit specified in the contract came to a head in early 1859. Clause thirty-five of the Provisional Agreement stated quite clearly that the time limit operated only from the time when the whole of the land needed for construction was handed over to the Company. By this time, however, the Company was in possession of only the first twenty-six miles of the required land, since the later course of the line had still not been finally decided upon. In view of this, the Company claimed that the time clause was not yet operative and the Colonial Office officials were forced to agree that this was the case. Ward protested hard against

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[29] CO54/352/Confidential of 6 April 1860.

[30] Private letter of 28 April 1860, NeC 10,989.

the injustice of this interpretation which, not unnaturally, occasioned some ill-feeling in the colony. However, the situation was largely one of his own creation since in his haste to begin the works he had handed over a portion of the land before the whole route had been finalised.

Sadly, this was not the greatest cause of concern to those interested in the speedy construction of the line. In April 1859 came the shattering news that Doyne considered the line proposed by Moorsom to be impractical and that he thought its construction within the £1,200,000 limit set by the Legislative Council was quite out of the question. Moreover, he added that he believed that this amount could well be needed to build a line as far as Gordon's Bridge, merely at the edge of the Kandyan hills and only fifty-seven miles from Colombo. From that point onwards, he claimed, Moorsom's line was quite impossible since it involved gradients which could only be undertaken with the aid of stationary engines. He also estimated that the working cost of the line would be much heavier than had been estimated by Moorsom. This was a momentous announcement.[31] Ward, who had praised Moorsom's work unstintingly only two years earlier, now accepted Doyne's calculations without question and accused Moorsom of having 'discharged a most important duty with culpable haste and inaccuracy.'[32]

The immediate question was how the colony and Company stood regarding their mutual obligations in the light of this new information. Ward was forced to admit in his Railway Address to the Legislative Council

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[31] CO54/343/82 26 April 1859.

[32] Ibid.

that, although the railway had been entrusted to the Company on the understanding that the line could be constructed for £1,200,000, the Company was not actually bound to construct the line for any specific sum.[33] It was merely obliged to provide whatever capital was needed for the provision of a line, so long as this line did not exceed ninety miles. As there was no question of this, the colony was committed to paying the interest on all the money required, at the rate of six per cent on the first £800,000 and five per cent thereafter. He informed the Council that on the basis of Doyne's computation, this would involve the payment of £118,700 per annum for the ninety-nine year term of the contract. Although this was very much larger than the amount which had been expected, Ward remained unshaken in his belief that the line was necessary, and he urged upon the Legislative Council his conviction that this sum could be paid. To allay in advance the fears of the planters that the export duty might be increased to provide the extra amount required, he outlined a scheme for paying the interest with the existing export duty, the profits from the line once opened and a contribution, if needed, from the general revenue, each year. So enthusiastic was he that the railway should be constructed that he was prepared to make sacrifices in his other plans of improvement during the years before the opening of the line.[34] It is significant, in the light of criticisms which were later to be made of MacCarthy, that Ward was prepared to do this. He saw the choice as a simple one between continuing the line at the estimated price or abandoning the project

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[33] CO54/345/8 22 July 1859.

[34] Ward told the Council 'This may bear hardly upon the Colony for the last 2, or 3 years, and limit other works of internal improvement.' Ibid.

altogether; his argument, however, rested entirely on the belief that the line would ultimately prove profitable, a factor about which there was no absolute certainty. He conceded that it might be necessary to limit the line to one stretching only to the foothills, though he argued that it would be a mistake to commence the work with this in mind. Termination of the line at Gordon's Bridge could be agreed upon, if necessary, once the line had reached that place. The decision was one to be taken in the colony, and a Legislative Council sub-committee was duly appointed to consider the situation. In the meantime, Ward ordered that all expenditure by the Company be confined within certain limits.

The Report which it produced in September was endorsed in its entirety by the Governor.[35] Whilst admitting the existence of objections to the contract and criticising the outlay of £104,000 which had at that time produced only ten miles of permanent way, the Report nevertheless expressed the belief that substantial reductions could be made in the estimate produced by Doyne. With the stability of the coffee industry and the ensuing increase in the revenue, the sub-committee advised awaiting the outcome of Stephenson's Report in the hope that some scheme might still be evolved whereby the Company could employ a contractor to undertake the work. Unfortunately, the findings of the full Council were confused by a change of view on the part of some members of the Council. Other Resolutions far more hostile to the continuance of the contract were also adopted, and these demanded some definite guarantee about the cost of the work. Ward and

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[35] Forwarded to the Colonial Office in CO54/346/55 16 September 1859.

four official members of the Council entered a formal protest at this which was forwarded to the Colonial Office along with the Report and Resolutions, but the result of the confusion was to give the Colonial Office complete freedom of action, since every possible course had been approved by the Council in either its Report or in the Resolutions. The Legislative Council had conspicuously failed to seize the opportunity of exercising an influential role and it is difficult not to blame Ward to some degree for allowing this state of confusion to occur.

The situation was further complicated by the presence in the colony of representatives of two major contractors. They had been called in by the Company, who were entitled under the terms of the contract to employ contractors to build the line. Nothing was to come of either of these tenders, but the original approaches made by the Company representatives were to provide the background for a major scandal and to finally end any hopes that the line could be constructed by the Ceylon Railway Company.

Doyne was recalled to England in mid-1859, ostensibly to provide details of his estimates. It came as a complete surprise to the Governor to hear in September of that year that the Company had dispensed with his services. Ward was openly furious: 'at a moment when I was endeavouring to carry out Your Grace's Instructions,' a despatch of 16 September ran, 'by persuading a reluctant Council that it might rely safely upon the results of a revision of the Estimates, to be conducted by Mr. Stephenson and Mr. Doyne, I am told that Mr. Doyne is no longer the Engineer of the Company, and might - indeed, probably would - refuse, after such unworthy treatment, to take any part in the Reference, but for his desire to vindicate his own Professional charac-

ter.'[36] Nor was Ward's anger directed solely against the Company, for he could not believe, he said, that the Duke of Newcastle could have known of this impending step and not have informed him.[37] He also asserted that the official Colonial Office representative on the Board of Directors should have used his veto to prevent such an action. With regard to his own position, he was explicit and bitter, 'I cannot fairly be expected to assume the responsibility of acts, upon which I am not consulted, or to pass my time in attempting to patch up the disputes of ill-selected Agents amongst themselves, or with the Board, by which they are appointed.'[38]

Doyne's services had been dispensed with because of alleged underhand conduct by him, by the new Company agent in Ceylon, Beeston, and an assistant engineer, Fitzgibbon. They were accused by the Company of having approached the representatives of Brassey and Company, who were in the colony, and of having offered to aid them in their tender to the Ceylon Railway Company for sub-contracting work, by supplying secret information to them. Furthermore, it was suggested that the contractors' profit included in Doyne's estimate of the cost of constructing the line had been unnecessarily large.[39] Until at least mid-January 1859, Doyne had deprecated talk of the contract

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[36] CO54/346/55 16 September 1859.

[37] This was actually the case: see chapter on the Colonial Office and the Railway, p. 132

[38] CO54/346/55 16 September 1859.

[39] The implication was that Doyne and the others were anxious to ingratiate themselves with contractors so as to secure their own fugures if the work was taken over by a contractor.

system, believing that the Company should build the whole line itself. Ward admitted, however, that when he met with Doyne and Beeston on 31 March they informed him that they had decided that the best method of construction would be for the Company to employ sub-contractors. This was not because they had revised their opinion of the principle of the contract system in itself, Ward reported, but 'from the conviction, at which they had both arrived, that it would be impossible to carry out the work cheaply or quickly with the very limited authority, that a London Board was disposed to confide to its Local Agents.'[40] The possibility exists that Ward actually sanctioned an approach to contractors at this time; Doyne and Beeston later claimed this to be the case though the Governor himself denied it. It may be that a simple misunderstanding arose at this meeting and that the two men thought that the approval expressed for a general idea was in fact sanction to proceed with its execution.

In February 1860, Ward was asked by the Colonial Office for a formal denial that he had known of the communications made to the contractors, particularly that from Fitzgibbon to Brassey and Company which lay at the heart of the dispute. He was highly offended and vented his wrath on Strachey, the official director on the Company Board. Strachey's conduct in not making known the Board's suspicions at an earlier date was, he said, quite unjustifiable and nothing would induce the Governor to enter into any form of communication with him again.[41]

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[40] CO54/352/Confidential of 6 April 1860.

[41] Private letter to Newcastle NeC. 10,987, 12 April 1860.

Both Doyne and Beeston claimed that all their approaches to contractors had been fully reported to the Board, and Ward accepted their assurances. Whilst mildly criticising Doyne for the confidence which he had placed in Fitzgibbon, Ward's outrage at what he considered to be his own mistreatment by the Colonial Office inclined him to the opinion that others had probably been similarly mistreated. Why, he asked the Colonial Office, had Doyne and Beeston not been told at once of the charge against them and why had the Governor himself not been informed of the situation until some eight or nine months after it had come to the attention of Strachey?[42]

In retaliation against the Company, both Doyne and Beeston levied charges suggesting that practices of dubious propriety had been employed.[43] Ward supported these accusations. Contracts for the supply of a volume of rails far exceeding requirements were said to have been entered into. Both Moorsom and Doyne had allowed for a line seventy-two miles in length but the Company had ordered some ninety miles of rails. Similarly the engines which had been ordered were suited only to the upper part of the line on which work had not yet begun, and they could not be used on the lower section which was the only part of the line approaching completion. This was claimed to be a deliberate attempt on the part of the Company to spend as much money as possible so as to receive the maximum interest from the colony.

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[42] Ward wrote privately to Newcastle that 'It is the absence of all candour, and fair dealing as regards myself, in this matter, that forces me to believe that there has been a similar want of it, as regards others.' Letter of 28 April 1860. NeC 10,989.

[43] Doyne, pp 38-41.

Even more damaging to the Company was Beeston's claim to have received a private letter from the Chairman of the Company, Philip Anstruther, in June 1859, in which the agent was urged to prevaricate and gain time as much as possible so as to postpone the moment when the time limit for the works would come into operation.[44] All communications between the Company and their agent in Ceylon were supposed to be transmitted via the colonial government so that any letters of a private nature, irrespective of their content, were actually in breach of contract. Beeston was later to swear that, following his appointment, both Anstruther and the Company Secretary, Cooper, informed him of their intention to communicate privately with him. Anstruther requested Beeston to send reports to him, not at the Company's office, but care of the Bank of Egypt of which he was also a Director. So seriously did the Company view these charges that they embarked on proceedings in Chancery in 1860 to prevent Beeston from publishing these letters.[45] Ward merely saw this as an indication of the guilt of the Company.

The Governor's position in the colony was extremely delicate. The Company had never been very popular and only the apparent guarantee regarding the cost of the work had won it a degree of acceptance. In 1860 it appeared that the cost of the work was to be greatly increased. The time limit had not yet come into operation, and serious allegations had been made by the Company about its own servants, and by these men

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[44] No satisfactory explanation was ever furnished for the writing of this letter, of which the Board denied all knowledge. Anstruther subsequently resigned.

[45] A copy of Beeston's affidavit is available in the Newcastle Papers at NeC. 11,003.

about the conduct of the Company. Ward had been a staunch supporter of the Company in his early days in Ceylon; he had more recently espoused the cause of Doyne against both the Company and the Colonial Office, yet he was still primarily the servant of the Colonial Office in the colony. He was thus left in a quite untenable position, being obliged to defend actions in his public capacity of which he was himself privately critical. When Doyne's pamphlet was published the Governor described his position in a despatch to the Secretary of State: 'The facts stated by him, of the truth of many of which I am cognizant, make out so gross a case of mismanagement against the Company, that I know not what arguments I have left against its opponents'.[46]

Meanwhile, whilst Doyne's conduct was under examination and fears were being expressed in the colony regarding the future of the railway, very little progress toward a decision on the future was evident in England. Robert Stephenson had been entrusted with the task of deciding on the merits of the varying results of Moorsom's and Doyne's surveys but his untimely death caused further delays and his successor, Hawkshaw, did not complete his report until June 1860. By this time, Ward had left Ceylon and it was left to his successor, Sir Charles MacCarthy, to deal with the problem.

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[46] Private letter to Newcastle, 8 May 1860, NeC.10,990.

Chapter 7

THE COLONIAL OFFICE AND THE RAILWAY

In 1855 the Colonial Office regarded the railway as a project to be undertaken for the benefit of the commercial classes of Ceylon alone. They saw in it no political or military advantage to the government, although an indirect benefit was anticipated in so far as the increased prosperity of the coffee industry would mean augmented revenue for the government. Molesworth, who was Secretary of State from July 1855, until his death in November of the same year, was extremely sceptical of the extent to which the benefits of a railway would be felt outside the mercantile and planting communities. This led to a great reluctance on his part to sanction the extension of the export duty from one on coffee alone to one on all exports. 'But those who would not use the railway, and who would export from other parts of the island,' he minuted, 'what benefit would they derive from the railway which would amply compensate them for the Tax?'[1] He feared particularly that Sir Henry Ward had not been sufficiently long in the colony prior to his espousal of the railway cause, to have consulted the representatives of any but the commercial classes, who had the easiest access to him. Thus, when Ward put forward his idea of adding £100,000 to the £800,000 to be raised in order to carry out additional irrigation and other works, it was coolly received in the Colonial Office, not only by Molesworth but by Strachey as well. The draft reply clearly stated that there should be no combination of rail and other matters.[2]

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[1] Minute by Molesworth on CO54/316/58 11 July 1855.

[2] Ibid. The draft reply read 'In the first place, I cannot conceal from you that I feel considerable difficulty in approving of the

Labouchere, who succeeded,Molesworth, was less worried by this point. It is clear, however, that for some time the Colonial Office continued to regard the venture as an isolated undertaking, rather than as an integral part of a general policy of improvement for the island. Officials were therefore reluctant to allow the colonial government to become too closely involved in either the financing or the administration of the railway project, lest it should appear too intimately identified with the interests of a single group of the inhabitants.[3] This was one reason why the Colonial Office was inclined to favour construction of the line through the medium of a Joint Stock Company.[4] Russell, Molesworth and Labouchere would all have agreed with Strachey's Minute that it was 'far better to entrust the laying out of the money and the management of the concern to a private Company than to involve the Government in details of transactions so foreign to its habits.'[5]

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question of creating a debt for the purpose of undertaking the improvements referred to, being mixed up with the question of the Railway.'

[3]The dangers of this policy had been stressed by Philip Wodehouse when he addressed the Select Committee of 1849. He warned against 'supposing that the opinions of the coffee planters or the European settlers in any way represent the opinion of the natives, or that their interests are in any manner identical' (Minutes of Evidence in Second Report of Select Committee of the House of Commons, 1850). It was thinking along these lines that determined Colonial Office policy of regarding an Imperial guarantee as out of the question, and the view that in the event of a guarantee's being offered, it should be financed by increased taxation.

[4]Governor Anderson had also put forward this view in August 1854 when he wrote that 'it would be far preferable that such work as a Railroad should be undertaken by a private Company than by Government.' He was so strongly convinced of this that he was prepared to suggest offering a guarantee of as much as six per cent to a company, rather than have the Ceylon government itself raise the loan. CO54/308/19 17 August 1854.

[5]CO54/316/91 16 August 1855.

The Company scheme meant that the only commitment undertaken by the Ceylon government would be the annual payment of interest and this only until such time as profits were sufficient to cover the amounts due. Even this initial payment of interest would be financed from extra taxation and not out of general revenue. At the same time, the colony would eventually become the owner of the line, and if the line proved successful and the colony's finances merited such a scheme, it would have the option of outright purchase at an interim date. It seemed that, whatever the result of the enterprise, whether the line were profitable or not, the financial commitment of the colonial government would be limited. On the other hand, should the Ceylon government construct the line itself, or employ contractors directly, then it would not only be more closely involved in the day to day administration of construction, but it would also have to operate the line itself when completed, or come to an agreement with a contractor to do so. Furthermore, if the line proved unprofitable, the loss would be borne by the government. In addition to this, as Strachey pointed out, there was the fact that government schemes were notoriously more expensive than private ones. A Company would thus act as a useful buffer to protect the Ceylon government from the dangers involved, and any loss sustained by the enterprise would fall upon the planters and merchants as the payers of the export duty.

Thus sympathy for the company idea in general led the Colonial Office to look favourably upon the Ceylon Railway Company. It was, as Strachey pointed out, 'not only composed of substantial persons known to us, but also has a claim from having undertaken the preliminary

surveys.'[6] After negotiations - albeit intermittent ones - spread over some ten years, this was understandable. Had the original Company been by-passed, complications would have arisen over expenditure on the preliminary survey for which some compensation would have been payable. Tentative enquiries were made by other companies - a projected Colombo to Kandy Railway Company and an off-shoot of the Scinde Railway Company - but these were discouraged by the Colonial Office, their existence being used only as a veiled threat in negotiations with the Ceylon Railway Company.[7] At no time was there any question of advertising publicly for tenders from companies. It was felt that no other company would offer terms as favourable as those of the Ceylon Railway Company and no other body would be likely to have so many directors with a personal interest in Ceylon.

In 1855-6, the Colonial Office was firmly in favour of reaching an agreement with the Ceylon Railway Company.[8] Whilst seeking to involve the colonial government to the smallest possible degree and to limit its role to a purely supervisory one, Colonial Office officials were nevertheless anxious to take account of the wishes of the planting and mercantile communities, since it was for their benefit and largely at their instigation, that the railway was to be constructed. This

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[6]Minute by Strachey on CO54/319 15 June 1855. Letter from Company.

[7]For details of enquiries by other Companies see CO54/322/Confidential 9 June 1856.

[8]The only member of the Colonial Office staff who entertained doubts was Sir John Ball, the Parliamentary Under-Secretary. Even he regarded a contract with the Ceylon Railway Company as desirable, but his emphasis was more firmly placed on the need to obtain the proper terms from some party, rather than merely making the best possible arrangement with the Ceylon Railway Company. Minute on CO54/316/91 16 August 1855.

led to a reluctance on the part of the Colonial Office to dictate terms outside the general framework. They were quite willing to act in accordance with the wishes of the community as expressed through the Legislative Council or the Governor. On some matters, of course, it was impossible for the wishes of the planters to be sanctioned. One such instance concerned the rate of interest. Here the Colonial Office was in possession of more recent and up to date financial information than was available in the colony. On other issues, however, the Colonial Office faithfully submitted to the Company the points contained in the Legislative Council Resolutions of August 1855. Ultimately, any agreement reached by the Colonial Office and the Company had to be acceptable to the Legislative Council and the Colonial Office thus had an incentive to make the agreement as popularly acceptable as possible.[9]

It was only the desire of Strachey to expedite matters (alleged Colonial Office delays being a major source of complaint in the colony) which led to the drawing up of a Provisional Agreement. The proposals of the Legislative Council were submitted to the Company but were not accepted in their entirety. The alternative to the drawing up of a Provisional Agreement would have been to refer matters to Ceylon once more. Hence the Provisional Agreement was in no way a definitive one in the eyes of the Colonial Office officials and they had reservations about some of its provisions. Labouchere stressed that the Legislative Council was quite free to reject the Agreement if the members of

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[9]Although the Governor could command an official majority in the Legislative Council, there was a genuine desire to satisfy the wishes of the planters and merchants both inside the Council and without. The Colonial Office scheme for a fifty-five mile railway had been abandoned in 1855 because of its unpopularity in the colony.

the Council regarded it as unsuitable. 'In case your decision and that of the Council should be favourable to the Agreement,' he commenced a sentence in a despatch to Ward, on 9 June 1856, concluding by writing that 'Having thus afforded to you such assistance on this important question as was in my power, I must now leave the decision to yourself and to the Ceylon Legislature.'[10] There seems no reason to doubt that had the Legislative Council expressed disapproval of any of the terms and rejected the contract, the Colonial Office would have been happy to continue the negotiations with the Company on the colony's behalf. In a previous despatch, Labouchere had even left the way open for a complete rejection of the Company idea as a whole: 'It is not my intention to urge the adoption of this contract upon yourself and your Council,' he wrote, 'if upon full consideration you should either consider that the time is not yet arrived for the undertaking of so considerable a work, or if you should clearly see your way of attaining the desired object by means more economical and which at the same time shall give equal security for the completion of the line in an efficient manner and within reasonable time.'[11] In fact, the open-mindedness of the Colonial Office is indicated by the fact that they sent a copy of a tender from a contractor (Jackson) along with the Provisional Agreement in the despatch to Ceylon.[12]

However, the Legislative Council accepted the Agreement whilst

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[10] CO55/98/113 9 June 1856.

[11] CO55/98/Confidential 9 May 1856.

[12] Jackson's tender can be found at CO54/327 6 February 1856. Letter from Jackson to Colonial Office.

adding a clause asking that the Royal Assent be withheld until a survey had ascertained the likely cost of the line. This request had to be refused by the Colonial Office on constitutional grounds. In an attempt to satisfy the Council on this point, the Colonial Office negotiated two Supplemental Agreements with the Company.[13] The first of these suspended all proceedings until a survey had been carried out and the cost of the work estimated; in the event of the cost exceeding the sum which the Ceylon government was prepared to pay, the contract would automatically be cancelled. This Agreement also enabled the colonial government to buy £50,000 worth of shares in the Company which would have given it the right to nominate an additional director to the Company's Board. The second Agreement dealt with the purely financial arrangements for the survey. The Legislative Council gave its assent to both these additional Agreements.

The Colonial Office had tried to carry out the wishes expressed in Ceylon about the cost of the line. Since the Council's suggestion for delaying the Royal Assent was impractical, the Colonial Office had found what seemed to be the next best solution. Unfortunately, although the preliminary survey appeared to offer a safeguard against excessive cost, it did not bind the Company to execute the line for the cost arrived at by this survey. Indeed, the Company was not even obliged to follow the same route as that which would be adopted by the engineer appointed to carry out the preliminary work. All the preliminary survey could achieve was to show whether it was possible for a line to be built for £1,200,000; it did not bind the Ceylon Railway Company to do so.

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[13] The Supplemental AGreements can be found at CO54/323/163 16 September 1856.

To ensure a completely impartial survey, the Colonial Office refused to allow the Company to chose the engineer to undertake the work. Instead, Labouchere chose Captain William Moorsom,[14] who duly set out for Ceylon, carried out his task and reported that a line could be built for £856,000. This appeared eminently satisfactory and so the contract came into effect. It is clear, however, that whereas this estimate was accepted at face value by both Ward and the Legislative Council, the Colonial Office officials were silently sceptical. In April 1859, when Doyne's greatly increased estimate was made known, William Strachey minuted that Moorsom's estimate was one 'which it was suspected from the first was over sanguine.'[15] Merivale, too, in 1859, immediately made it clear that he had greater faith in the new estimate by Doyne than he had had in that of Moorsom.[16] In 1857, unfortunately, doubts about the reliability of the work performed by Moorsom were not voiced and on the basis of his work the whole railway contract came into operation.

It was soon apparent that the Colonial Office had no intention of following the exact letter of the contract. Under the Agreement, the colony was given considerable powers over the proceedings of the Company

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[14] William S. Moorsom was the youngest son of Sir Robert Moorsom KCB and in 1858 he was fifty-four years old. Educated at Sandhurst and destined for the Army, he retired from the service in 1838 and carried out surveys of various lines in England. He proposed what was then the sharpest incline in the world on the Birmingham-Glastonbury line, which was successfully carried out. A winner of the Telford Medal, he was also a Prussian Engineering prize winner for his design of a bridge over the Rhine in 1850. He won this against competition from sixty eminent engineers.

[15] CO54/343/82 26 April 1859.

[16] Ibid.

in Ceylon. However, Strachey minuted that 'it by no means follows that this control should be exercised; on the contrary, it is essential to the efficient and speedy execution of the works that the Government abstain from interfering, so long as appointments of engineers and other officers are made and proceedings conducted so as to merit its confidence.'[17] This was particularly important with regard to the appointment of a Consulting Engineer to the Ceylon government, which was provided for in the contract and for which the Governor campaigned throughout 1857. In view of the difficulties which such appointments had caused in India, Strachey decided that it would be unwise to risk making a similar mistake in Ceylon. Moorsom also expressed this opinion in his Report, commenting that 'This appointment may cost the Ceylon government as many thousands and as much bickering and disappointment in working the Railway as an injudicious appointment of a similar character has caused palpably in Madras.'[18] Furthermore, Strachey claimed that those well informed about such matters felt that the Company could not have made a better choice as its Resident Engineer in Ceylon than the man appointed. To send a Government Engineer as well would entail paying the Government Engineer a salary comparable to that received by Doyne, and the probability was that such an appointment would only hamper Doyne in his work.[19] It therefore appeared a needless extravagance and there was no reason in Strachey's mind why any technical advice needed by the Governor should not be supplied by

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[17] CO54/330/173 29 September 1857.

[18] CO54/329/90 23 May 1857.

[19] CO54/330/173 29 September 1857.

members of his own scientific staff. Thus no Consulting Engineer was ever appointed to advise the colonial government, though the Company appointed a Consulting Engineer, Charles Gregory, to advise it at home.

Although the colony was entitled to exercise its rights to purchase shares in the Company, it did not do so. The staff of the Colonial Office were keen that the opportunity should be taken. In December 1856, Labouchere referred in enthusiastic terms to the possibility of thus acquiring a second official director on the Board: 'So desirable indeed does this appointment seem to myself,' he wrote, 'that I should not object to the Government shares being completed to the requisite amount by purchase in the market, even at some premium, supposing a sufficiency not thrown up by Depositors, nor otherwise obtainable at par.'[20] Ward reported, however, that feeling in the colony did not favour such a move and he made it clear that he himself entertained objections to it.[21] Although still viewing the purchase as a good investment, a practical means of reducing the amount to be borrowed and a method of keeping a closer watch on the proceedings of the Board, the Colonial Office did not press this view in the face of the opposition from the colony.

The position of official director on the Board of the Company was filled by William Strachey, who agreed to serve at Labouchere's request.[22]

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[20] CO54/323/163 16 September 1856. Draft to Ward.

[21] Ward's despatch CO54/328/17 23 January 1857, acknowledging the Colonial Office despatch completely ignored this point, as the Colonial Office pointed out.

[22] CO54/329/90 23 May 1857.

He attended Board meetings, had the right of veto over all the decisions, and received the sum of £250 per annum in addition to his Colonial Office salary. His involvement with the Board meant that more and more he became the acknowledged expert in the Colonial Office on all Ceylon railway matters. In 1860 Merivale wrote, when a matter concerning the railway came before him, that 'This matter has been so entirely attended to by Mr. Strachey that I scarcely feel competent to interfere,'[23] and interfere he did not. Only Frederic Rogers and the Duke of Newcastle ever questioned Strachey's advice and even the Duke was greatly influenced by him.

Railway matters caused little concern in the Colonial Office during the years 1857 and 1858. The ordinance passed by the Legislative Council for the taking up of land for railway purposes was rejected as being improperly worded and it was directed that a new one be prepared, but this was not a matter of major concern. The Colonial Office did try to insist, however, that the export duties which had been collected from the beginning of 1857, and which were designed purely to finance the railway, should be funded separately. Ward did not favour this course, and argued that it would be more beneficial to invest these sums in public works and pay the interest due to the Ceylon Railway Company out of general revenue.[24] The Colonial Office was not impressed by this argument, however, and repeated its instruc-

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[23] Minute on CO54/356 2 March 1860. Ceylon Railway Company to Colonial Office.

[24] CO54/337/141 27 November 1858.

tion that the duties be funded, but it was not until MacCarthy assumed the Governorship in 1860 that this was actually done.[25]

The year 1859 was the year in which the railway issue rose to prominence once more. The alleged interference by Gregory[26] in railway affairs in Ceylon, of which Ward complained, aroused little sympathy with Strachey. Nevertheless, the Ceylon Railway Company was officially asked whether delays were caused by the differences between the two engineers. The Board denied this.[27] The difficulty which had arisen over the iron bridges ordered by Doyne was not a minor one, Company officials said, as it involved the outlay of between £20,000 and £30,000.[28] Furthermore, Doyne had originally stipulated that the bridges would not be needed until 1860, so the matter had not been considered as one of any great urgency. Gregory felt that the bridges ordered by Doyne were of an unnecessarily complex design, and were therefore more costly than they need be.[29] Since a total of four hundred bridges was needed, considerable savings were possible, for example by the omission of iron cross girders, which Gregory calculated would reduce the cost by some £10,000. Although the failure to have the bridges delivered by 1860 was later cited as an example of the Company's inefficiency, the first consignment of one hundred bridges

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[25] CO54/355/40 13 December 1860.

[26] Gregory was the Consulting Engineer in England.

[27] CO54/349 14 October 1859.

[28] Ibid.

[29] Churchill, the Public Works Department engineer, in Ceylon agreed with Gregory; but for a different version of this incident see the Chapter on the Governor and the Railway, pp 105-106

was actually awaiting shipment when Newcastle decided that no more equipment was to be sent to the colony pending a decision on the future of the railway.

When news reached the Colonial Office in early June 1859 of Doyne's high estimate it caused far less concern than might have been anticipated. This was due partly to the view held all along in the Colonial Office that Moorsom's estimate had been too low, and partly to Strachey's opinion that the colony was well able to meet the increased cost. 'I really do not see,' he wrote, 'why the capital of the colony should not be devoted to the Railway instead of to Irrigation and other P[ublic] Works not at all more urgently required.'[30] Herman Merivale was more sympathetic to the doubts expressed in the colony over the wisdom of paying so high a price; rather than advocate the abandonment of the line, he felt there was a good case to be made out for a partial line to run only as far as the foothills. This was the sort of line which had been envisaged by Lord John Russell and supported by MacCarthy in early 1855. It can scarcely be coincidental that MacCarthy was in London at this time and in touch with members of the Colonial Office staff.[31] Strachey minuted in both June and September 1859 that he had consulted MacCarthy on matters concerning the railway, and some evidence of MacCarthy's close relationship

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[30] CO54/343/82 26 April 1859.

[31] Certainly the views expressed by William Strachey on the desirability of investing in the railway rather than in public works are reminiscent of the attitude which MacCarthy is widely believed to have held regarding investment in public works. See for example, History of Ceylon, ed. K.M. de Silva, vol. 3, p. 141.

with the Colonial Office over this question is provided by the Duke of Newcastle's insistence that the final decision on the future of the line should be postponed until MacCarthy returned to the island as Governor, with the greatest latitude to settle the question.[32]

The course to be adopted over the future of the railway was not decided at once. The Ceylon Railway Company wished to send Gregory to Ceylon to assess the accuracy of Doyne's estimate but Newcastle was reluctant to agree to this. Instead, the matter was referred to Mr Robert Stephenson, son of George, who was asked to advise the Colonial Office as to the best course to pursue. In the meantime Ward was instructed to confine expenditure as narrowly as possible and to make over no more land to the Company beyond Ambepusse. It was known in the Colonial Office that the directors of the Company also felt Doyne's estimates to be excessive and, as late as September 1859, Newcastle was quite firmly opposed to any idea of terminating the arrangement with the Company. At the same time he added a significant remark concerning Labouchere's original decision to sanction construction by a Company: 'I am quite prepared to express a strong opinion against winding up the Company and carrying on the Railway by Government Agency,' he wrote, 'but I would base that opinion upon the present state of the Affair for I am not certain that in the first instance, it might not have been best to avoid the distant machinery of a Company in London.'[33]

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[32] CO54/356 Ceylon Railway Company to Colonial Office, 6 July 1860. Newcastle wrote on this: 'Whatever may be the decision, it is very important that Sir Charles MacCarthy should be in the colony when it is taken.'

[33] CO54/346/34 16 August 1859.

The Company was keen that agents of two reputable contractors should be sent to the colony to tender for the line, and both Brassey and Company and Waring Brothers sent out representatives to the colony in June. This increased hopes that the line might still be constructed. By this time, the Colonial Office attitude had changed enormously from the days when they had regarded the railway as a matter to be undertaken purely for the benefit of the commercial classes. Officials were now so anxious that the work already done should not be wasted that they were prepared to regard the completion of the line as an essential public work. Strachey looked with favour on a suggestion from the Chamber of Commerce that the cost of the line, or rather the interest to be paid on the amount borrowed, should be reduced by contributions from the general revenue.[34] This plan marked a significant departure from the policy of 1855 which had been to minimise the colonial government's involvement in the matter.[35] In part, the change was the result of dire necessity, but it is also partly attributable to the increased financial strength of the island.

For the remainder of 1859 the future of the railway awaited reports from both the Legislative Council and from Robert Stephenson. The latter's untimely death further delayed matters since his successor, Hawkshaw, was not appointed until the middle of December 1859 and

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[34] The suggestion was contained in a Memorial from the Chamber of Commerce found at CO54/346/56 17 September 1859. The Chamber favoured construction by a railway contractor and the payment of £300,000 from current revenue toward costs.

[35] In some ways, this was no more than the logical extension of the desire of Strachey that the colony should buy shares in the Company, for this plan was at least partly motivated by the desire to reduce the amounts of money to be borrowed on the open market.

did not complete his report until July 1860. Meanwhile, the whole question of Doyne's conduct loomed large and consumed much time at the Colonial Office. Doyne was well regarded in Ceylon, especially by the Governor, and the scandal in which he was involved severely marred the relationship between the Colonial Office and its representative in the colony. Doyne had been officially recalled in July 1859, ostensibly at the request of Robert Stephenson, to furnish data in person regarding his estimates. By this time the Ceylon Railway Company Board had been put in possession of information acquired in confidence by Gregory some months earlier, indicating that Doyne had made secret overtures to contractors without the authorisation of the Board, and had encouraged other members of his staff to do so as well.[36] Gregory had been honour-bound not to impart this information but, in an attempt to forestall Doyne, he had recommended to the Board that they themselves request tenders from two major contractors. By June, Gregory felt that the information could no longer be kept to himself and he obtained permission to inform the Board. Unfortunately, no written evidence was available of Doyne's actions.

Sometime after hearing all the facts, Strachey informed the Under-Secretaries at the Colonial Office and Newcastle of what had occurred. The lack of written corroboration persuaded Newcastle not to inform Ward of the true reason for Doyne's recall. It was for this that Ward so bitterly criticised Strachey, although Newcastle wrote defending both his own conduct and that of Strachey and saying that he was

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[36] The source of the information was the father-in-law of one of Thomas Brassey's partners, Ogilivie.

'at least as liable as Mr. Strachey to the charge of unfairness in not informing Sir Henry Ward of what I heard in November but I believe it was only right toward all parties concerned to say nothing about it until it came before us in a substantive form.'[37]

In October 1859, the Report and Resolutions of the Legislative Council were received in the Colonial Office. The confusion between the recommendations of the Report and those embodied in the Resolutions meant that the Colonial Office was tied to no specific line of action. Both Strachey and Newcastle were convinced that any idea of limiting the amount of capital which the Company could spend was both unreasonable and impractical. The Company shares stood at that time at a low price and in the unlikely event that the Company would agree to make the guarantee a limited one, the price of its shares would undoubtedly drop still further. There is no evidence of any desire on the part of the Colonial Office to see the Company wound up at this time, but by early 1860 Strachey had come round to the idea that a partial line of some fifty or sixty miles might be the best solution.[38] Little action could be taken, however, until the receipt of Hawkshaw's Report.

Further trouble soon came to light in connection with the operations of the Company in Ceylon. Beeston, the former Agent in the colony, claimed that while employed by the Company, he had received private letters from Philip Anstruther, the Chairman of the Board.

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[37] Minute on CO54/352/Confidential 6 April 1860.

[38] One can only speculate as to the influence of MacCarthy on this, but this plan had been advanced by him in 1855. Strachey wrote in a minute on CO54/351/24 24 February 1860 that 'I think it was a mistake of this department to extend the scheme as we did to the terminus at Kandy.'

This claim was formally advanced in an Affidavit in Chancery on 7 March 1860, whence the Company had taken him to gain an injunction to prevent the publication of the letters in question.[39] The significance of these letters lay not only in the fact that they were secret and not forwarded by the means prescribed in the contract between the Company and the Ceylon government, but also that they contained instructions to delay the coming into operation of the three-year time limit on the works. This was to be done by simply not taking up the whole of the land required for the first section. The exact words of Anstruther's letter of 9 June (a copy of which was later supplied to the Colonial Office) were: 'You will of course be cautious to take no more land than you actually want as the three years for the first section dates from the whole of land for that section being delivered to you. You cannot refuse if called upon by the Governor but you can procrastinate.'[40] When asked for an explanation of these instructions the Board denied all knowledge.[41] Anstruther's own explanation of his words was received in the Colonial Office in July 1860 but failed to redeem him. His answer appeared to Rogers to be totally unsatisfactory and Chichester Fortescue, Newcastle's Parliamentary Secretary, suggested that it should at least be considered whether the Company should be asked to

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[39] A copy is available in the Newcastle Papers at reference NeC. 11,003.

[40] Enclosed in CO54/357/Anstruther to the Colonial Office, 17 July 1860.

[41] CO54/356/Ceylon Railway Company to the Colonial Office, 16 July 1860. The directors wrote that 'to the best of their belief no communication within the scope of this article (22) has been transmitted to Ceylon otherwise than through the Office of the Secretary of State.'

change their Chairman.[42] In fact, Anstruther did resign soon after this, but undoubtedly this unsavoury matter had a detrimental effect on the standing of the Company in the Colonial Office.

In May 1860, the tenders from both Brassey and Company and from Waring Brothers were received, and on 18 June the Colonial Office came into possession of Hawkshaw's Report on the whole railway question, including his comments on these tenders.[43] The main features of his Report were that he believed a railway line in Ceylon would be a paying proposition and that, given the situation then in existence, he thought the line would best be constructed by a contractor employed by the Ceylon Railway Company. Of the tenders received, Hawkshaw recommended that the one from Brassey and Company be accepted; this put the cost at £1,433,010. If the cost of the work already undertaken by the Ceylon Railway Company were added to this, then the total cost of the line would be almost two million pounds.

Hawkshaw's Report was well received in the Colonial Office. Strachey felt that the colony could afford this amount if an initial sum of around £320,000 were contributed from the general revenue and he added: 'Sir C. MacCarthy will I believe bear me out in saying that £80,000 a year may be set aside for Railway purposes, without any material inconvenience, from the Colonial Revenue.'[44] This statement

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[42]Minute on CO54/357/Anstruther to the Colonial Office, 17 July 1860.

[43]Hawkshaw's Report is available at CO57/27 or CO54/357, Hawkshaw to Colonial Office, 18 June 1860.

[44]Minute by Strachey on CO54/357/Hawkshaw to Colonial Office, 18 June 1860.

shows that the idea of contributing to the railway from the general revenue had been fully accepted by the Colonial Office, despite the emphasis once placed on keeping the colonial government as far removed from the mechanics of railway construction as possible. This change was a significant one and was to be at the root of the criticisms of MacCarthy's policy in the early sixties.

Although the Colonial Office was prepared to sanction the course recommended in Hawkshaw's Report, much clearly depended on the willingness of the Ceylon Railway Company to proceed. When approached, the directors showed a marked reluctance. Claiming that the contract had been entered into with misconceptions on both sides as to cost, the Board wrote on 6 July 1860 that: 'Under these circumstances, it appears to the Directors, that it would not only be equitable but satisfactory to both the contracting parties that the agreement shall be annulled.'[45] Possibly the reason behind the directors' lack of enthusiasm was the difficulty which they anticipated in raising the extra money required, since they were committed by the original contract to a rate of only five per cent on capital above £800,000. Whatever the directors said about not wishing to continue without the approval and confidence of the colony, was shown to be meaningless by the fact that they did sketch out certain conditions under which they would be prepared to continue the work. These included raising the rate of interest to six per cent on all capital, in return for which they were willing to grant the colonial government increased powers.[46]

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[45] CO54/356/Ceylon Railway Company to Colonial Office, 6 July 1860.

[46] The proposals of the directors were, of course, subject to the approval of the shareholders.

The matter, then, was clear. Either the Company's proposal for revising the contract was accepted or the Company shareholders would have to be paid off at par as requested. The Colonial Office referred the issue to the colony, though its own officials were now united in favour of the dissolution of the Agreement. Even Strachey, whilst still arguing that many of the complaints against the Company were unfounded, recognised that it was unlikely that a proposal for a new contract would prove popular in the colony. Nor did he feel that it would be proper for the Duke of Newcastle to recommend it. The situation had changed so drastically since the original decision in favour of construction by a Company had been made, that many of the arguments in favour of that course no longer existed. On the whole he was willing to see the dissolution of the Company scheme. Rogers also took this view, writing, after considering the merits of the proposals for a new scheme advanced by the Company, that: 'It seems to me therefore on the whole that the proposal of the Company is merely calculated to give them certain additional advantages.' He was highly critical, however, of the idea of paying off the shareholders at par. The Company and colony had entered the contract as equal partners: 'Why should the one party be wholly indemnified at the expense of the other?'[47]

When the shareholders of the Company met to consider the proposals of their directors, they, rather surprisingly, expressed the view that the whole matter should be referred to the colony. At the Extraordi-

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[47] Minute on CO54/356/Ceylon Railway Company to Colonial Office, 6 July 1860. The answer to this question was supplied by Rogers himself. 'The Company should be indemnified because the colony has agreed to indemnify it.' Clause 35 of the Provisional Agreement laid down that the only penalty for default was to be paid off.

nary Meeting held in July, the shareholders appeared far less willing to see the Company wound up than the directors had anticipated. It may well have been that many of them had purchased shares at higher than the par price and thus stood to lose financially, or they may genuinely not have understood the Company's position. Whatever the reason, the shareholders, like the Colonial Office, wished the decision to be taken by the Governor and the Legislative Council. Ward had left the island to take up his new appointment in Madras, and it fell to the new Governor, Sir Charles MacCarthy, to deal with the situation.

Soon after MacCarthy assumed the Governorship, he was able to forward the Report of the Legislative Council recommending that the contract with the Ceylon Railway Company be terminated.[48] In the meantime, the Company's new Resident Engineer, Molesworth, had hit upon another possible line from Colombo to Kandy, which he claimed could be constructed for under £1,500,000. The Ceylon Railway Company was therefore technically able to meet its commitments once more, though it seemed likely that it would still experience difficulty in raising the money required. The shareholders, however, were now definitely against continuing with the contract and accepted the colony's offer of annullment. It is difficult to interpret this as anything other than a complete loss of faith in the directorship. The second attempt at the construction of a railway in Ceylon thus ended, to the relief of all the parties involved.

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[48] CO54/355/42 15 December 1860.

Chapter 8

THE LEGISLATIVE COUNCIL AND THE RAILWAY

The railway was the most controversial question in Ceylon in the middle and late 1850s and the one which highlighted most vividly both the importance and the impotence of the Legislative Council. Over a matter in which the Colonial Office had no direct interest, the Secretary of State wished to act as far as possible in accordance with the views of the articulate inhabitants of the colony; the Legislative Council thus had a large advisory role to play. The Provisional Agreement negotiated by the Secretary of State came before the Council for discussion and could have been rejected by it.

In the early fifties the Council had not acted as a vehicle for bringing pressure to bear on the administration for the construction of a railway. Its unofficial members possessed no right to introduce subjects for discussion and they could comment only when their views were requested by the Governor. At a time when opinion in the colony was divided, and often bitterly so, over the construction of the railway, it is significant that the Council did not provide a real channel for the expression of divergent views; rather it was in public meetings at the Chamber of Commerce and later at the Planters' Association that views were aired.[1]

Replying to the Governor's Opening Address in July 1855, the Council emphasised its approval of the importance which he had attached to the Railway in his opening speech.[2] He had suggested that the

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[1] One of the few occasions prior to 1855 when the railway was discussed, albeit briefly, in the Legislative Council, was in June 1854, when Darley asked for a statement of the attitude of the Ceylon government in view of the apparent lack of response from the Colonial Office to previous despatches on the subject. Observer, 5 June 1854.

[2] CO54/316/53 10 July 1855.

colony should try to secure a six per cent guarantee not only on the £800,000 which it was estimated the railway would cost but also on an extra £100,000 which would be devoted to works of improvement. So well did Ward feel that his speech had been received in the Council that he was able to report definitely to the Secretary of State that 'Your Lordship may now consider the Legislature of Ceylon distinctly pledged to a six per cent Guarantee, to be provided for by an Export Duty ... upon a capital of £900,000.[3] This was something of an exaggeration at the time, since the Council had been meeting for the first time that year on the occasion of his speech and had expressed only general approval of its contents.

A sub-committee of the Council was appointed during the session to give the Council an opportunity to express its views in more detail. The committee's main proposals were in broad agreement with resolutions passed simultaneously by the Executive Council, namely in favour of a line from Colombo to Kandy, rather than merely part of the distance.[4] Moreover, it felt any guarantee should be limited to a twenty-five year period and the government should be responsible for providing only such land as already belonged to the Crown. Further provisos were also added. The members suggested that the amounts which would be paid by the colony as guaranteed interest should be considered as advances to the Company, repayable to the colony when the net Company

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[3] CO54/316/53 10 July 1855.

[4] Forwarded with CO54/316/91 16 August 1855.

receipts exceeded five per cent. Concern was also expressed about the likely level of Company profits once the line was opened and it was suggested that profits should be restricted to a specific level and fares reduced once this was exceeded. The committee also favoured the incorporation of a definite time clause within the contract, as well as an option for the government to purchase the line after five years. The total cost of the line was thought likely to be about £800,000 and the sub-committee recommended that a guarantee of five per cent should be offered. However, the members were prepared to leave this to the discretion of the Secretary of State, who, they realised, was in a better position to gauge the rate required in the conditions prevailing on the London money market. These conditions were fairly stringent but, pending their acceptance, the Legislative Council was prepared to agree to the construction of the line by the Ceylon Railway Company. On the other hand, if they were not obtainable, the Council inclined to the view that it would be preferable for the government itself to raise the money needed.[5]

Unfortunately, Ward tended to minimise the importance of these conditions. He wrote that 'the recommendations now made, are to be regarded, rather, as expressing the feeling prevailing here upon particular points, with regard to which it is conceived that the interests of the Colony have not been sufficiently considered in the proposals made by the Railway Company, than as conditions without which the Agree-

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[5] An attempt was made by Darley and Morgan, strong opponents of the proposed railway scheme, to have discussion of the Report in full Council postponed, but the attempt failed. See CO54/316/91 16 August 1855.

ment to be concluded by Your Lordship will not be adopted.'[6] This seems to illustrate Ward's over-riding concern to press ahead with the railway as soon as possible. Certainly, he made it very plain to the Colonial Office staff that they need not worry too much about the conditions which the Council had laid down. 'I have little doubt,' he wrote, 'that provided the undertaking be placed in safe hands, and the Colony have the assurance that the Railway will be completed within a reasonable time, the terms which Your Lordship may think just, upon a full consideration of the case, may be ratified here by Ordinance.'[7] Thus despite the anxiety of the Colonial Office to consult informed opinion in Ceylon, the importance of the views expressed by the Council was minimised by the Governor as he relayed them to London.

When the Provisional Agreement was received in Ceylon it clearly failed to live up to the conditions which had been set by the Legislative Council.[8] The guarantee was not restricted to twenty-five years nor was the total capital expenditure limited to £800,000. The proposal that the interest should be treated as an advance had also been ignored. The rate of interest to be paid was set at six per cent on the first £800,000, and five per cent thereafter, but since it was not anticipated that the cost would much exceed £800,000, the lower interest rate on the extra capital could hardly be seen as a great concession. On the other hand, certain adjustments had been made by the Company; a time limit appeared to be included (although its wording was suffi-

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[6] Ibid.

[7] Ibid.

[8] The Provisional Agreement was received in the colony in July 1856.

ciently ambiguous for it to be a source of trouble at a later date), the whole line, and not merely a section of it was to be built and a fair proportion of the Company's shares was to be reserved for sale in Ceylon. Some limitation of the fares was also incorporated. If the Provisional Agreement was not a masterpiece, it was very far from being a complete failure. Although the Secretary of State had sent the provisional contract to the colony in the knowledge that it might not prove acceptable to the Legislative Council and with the idea that some modifications might be needed, Ward was adamant that it must be accepted or rejected in its entirety.[9] The first discussion of the matter by the Legislative Council took place on 13 August and the second on 27 and 28 August.[10] It had been agreed that the decision of the Council on this second reading would be decisive and that no attempt would be made to amend it in the committee stage. Possibly in return for this undertaking, Ward allowed a completely free vote on this vital second reading. The Bill to put the Agreement into effect was carried by nine votes to seven, a majority of only two. Despite his reluctance to see the Agreement altered, Ward did allow the insertion of a clause which would delay the grant of the Royal Assent until a survey had taken place to confirm that the line could be constructed

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[9] Ward's arrangement with members of the Legislative Council was shown in his report to the Secretary of State concerning the passage of the bill through committee 'where the understanding previously come to, that the Vote upon the Second Reading was to be considered as decisive of the fate of the Bill, was honourably adhered to, and no attempt was made to get rid of the measure by Amendments incompatible with the terms of the agreement, such as the reduction of the Interest from 6, to 5,%.' CO 54/323/153 30 August 1856

[10] For a report of the discussions in the Legislative Council see Observer, 14 to 28 August 1856. CO54/323/153 30 August 1856.

within the limit of £1,200,000. The acceptance of the Agreement by the Legislative Council therefore centred around this one extra provision. As Ward described the situation to the Colonial Office 'if the Company accept the condition, upon your recommendation, the Contract is, to all intents and purposes, concluded so far as this Colony is concerned, without the necessity of any further reference to Ceylon.'[11] Unfortunately, this condition was largely meaningless for, if the outcome of the survey confirmed the possibility of construction at a reasonable cost, there was still no legal means by which the Company was obliged to construct the line for this amount.

Opposition to the railway contract in the Legislative Council came not only from the unofficial members but also, most forcefully, from Charles MacCarthy, the Colonial Secretary. Charles Layard, the Government Agent for the Western Province also voted against the Bill. MacCarthy's main line of argument was that at six per cent, the rate of interest was too high and the guarantee was to run for too long a period. He also argued that an export duty should not be imposed in the face of what he claimed to be almost universal opposition. The argument that taxation should be imposed only with the consent of those who were to pay it, was a novel one for MacCarthy to expound and is an indication of the fact that he considered the opposition to the existing railway scheme to be sufficiently strong outside the Council to embarrass the government. Apart from criticising the rate of interest and the period of the guarantee, MacCarthy also forecast difficulties about the working of the contract, which were to

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[11] CO54/323/153 30 August 1856.

prove well founded. The first duty of the directors of the Company, he pointed out, was to their shareholders, and the relationship of the colonial government with the Ceylon Railway Company was unlikely to work well with the former in possession of at least nominal powers of supervision over the latter. Moreover, in the event of a disagreement between the Company and the Consulting Engineer it would fall to the Governor to arbitrate, but how he would be able to decide matters of great technical detail was unclear. The whole contract, in MacCarthy's eyes, was not only impractical but also contrary to the conditions previously laid down by the Legislative Council.[12]

Apart from being supported by Layard, MacCarthy was also joined in his criticisms of the contract by five of the six unofficial members of the Council. Richard Morgan, the Burgher representative, was strongly in favour of the government constructing the line itself, and agreed with MacCarthy that the particular agreement before them was open to abuse. Dawson, Bird and Ederemanesingam all presented

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[12] MacCarthy was here pursuing what seems for him a very strange argument. He claimed that the Legislative Council was intended to be an indirectly representative body. In Council he was reported to have said: 'I can conceive no other object in summoning Members from every class and every race of which the population of the island is composed, if it be not that they should have a voice in the adjustment of their own burden, the settlement of their own taxation.' Ward suggested in a private letter to Labouchere of 30 August (Labouchere papers, letter 3) that MacCarthy was merely trying to enhance his popularity, referring to what he considered to be MacCarthy's 'morbid dread of unpopularity'. There was also, Ward felt, a desire to show that the Governor could do nothing in Council without his support. Neither of these arguments is particularly convincing. It seems likely that, convinced of the dangers of accepting the proposed contract, MacCarthy merely sought to argue against it in the way which he felt would win most support. Full details of his speech are given in the Observer, 1 and 4 September 1856.

petitions against the plan from the communities which they represented.[13] Bird summarised his own case, and that of those planters who opposed the bill, on mainly financial grounds. 'It must be borne in mind,' he said, 'that all the applications for a Railway during the past nine years commencing from 1847 are based upon the estimates of the Ceylon Railway Company, not exceeding £800,000, and the planters never contemplated paying more than 5 per cent guaranteed interest on that sum.'[14] The chief objection was the uncertainty as to cost, and the fear that the proposed export duty of two per cent would be insufficient to pay the interest at the rate of six per cent and would therefore have to be increased. Dawson, a prominent merchant on the Legislative Council, argued that so greatly had the economic situation improved since the terms had been negotiated that a better bargain could now be made. He quoted a recent speech in the House of Commons in which Mr Vernon Smith had spoken of the prospect of railways being constructed in India without any guarantee regarding interest at all.[15]

The only unofficial member of the Council who voted for the contract was W.A. Swan,[16] and even he criticised the interest rate, though he believed that it might be reduced by the Company. He appeared concerned that the rejection of the terms offered might jeopardise the whole future of the railway and this argument might well

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[13] They were the members for the mercantile, European and Tamil interests respectively.

[14] Observer, 4 September 1856.

[15] Observer, 4 September 1856.

[16] Member of the Council for the planting interest.

have carried more weight had it not issued from the brother-in-law of one of the directors of the Company.

The idea of adding a suspensory clause, which would make the contract effective only after the completion of a satisfactory survey, was sufficient to win support for the bill on its second reading. Also, it undoubtedly contributed toward making the bill more palatable in the committee stage, since it at least appeared to offer some safeguard against excessive cost. The constitutional practicality of adding such a clause was not widely discussed. Ward obviously foresaw no problems and only MacCarthy expressed doubts which were later seen to be realistic.[17]

The Railway Bill then passed the Legislative Council despite the opposition of two prominent members of the government. The unofficial dissentients lodged a formal protest at the passage of the Ordinance, claiming that it contravened the Resolutions of the Executive Council of 2 August 1855 and those of the Legislative Council passed on 9 August in the same year.[18] MacCarthy and Layard did not sign this document. Ward argued that the Agreement had not been definitely accepted because of the suspensory clause; this was not quite the case, however, because the colony was irretrievably committed to the contract with the Ceylon Railway Company if the survey was satisfactorily completed. Unfortunately, the Company was not similarly bound to construct the line within the limit of the estimate provided by the survey. Had this been properly thought out, it is probable that more

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[17] Speech to the Legislative Council reported in Observer, 1 September 1856.

[18] The unofficial protest is at CO54/323/163 14 September 1856.

of the officials and possibly even Swan would have voted against the Bill. Instead, by clever handling of the Council, Ward was able to have his own way.

In the hope that the results of the survey would be satisfactory, an Export Duties Bill was passed in September to raise the money for paying the interest should the project proceed.[19] The sub-committee which considered the Bill substituted a series of fixed duties in place of a general ad valorem duty, and categorically turned down the earlier proposition that those paying the export duty should eventually receive their money back in the form of debentures.

The survey was undertaken by Captain Moorsom and the results proved quite acceptable. The contract thus came into operation and work on the railway commenced. No further demands were made on the time of the Legislative Council, apart from a vote of money to pay for Moorsom's survey, until 1859. Then, the future of the project was once more placed in jeopardy by the revelation that Doyne no longer believed the line could be constructed within any of the previous estimates. The Colonial Office sought opinion on the course to be pursued from an expert in England and from the Legislative Council in Ceylon. A sub-committee was appointed on 20 July to collect evidence and report to the full Council. The members were Sim, Layard and Braybrooke on the official side and Lorenz and Jolly from the unofficials. Although the Report produced by the committee was accepted by the Council as a whole, a number of Resolutions were also passed and these were at variance with the Report on some points. This element

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[19] Ibid.

of confusion and contradiction meant that the views of the Council members carried far less weight with the Colonial Office than should have been the case.[20]

The Report was a work which much impressed the Governor. It summarised the work that had been carried out on the line, pointing out that the company had already spent the sum of £104,000 for which the colony had received only working plans for the first thirty-six miles of the route and an actual ten-mile stretch ready for the laying of the permanent way. By any standards this was not a large return for the time and money expended. Nonetheless, no great confidence was shown in Doyne's estimates and it seemed likely that various economies could be made.[21] It was known that Robert Stephenson was then working on the estimates in England and the hope existed that he could substantially reduce the cost. Although objections were expressed to several of the terms of the contract (the length of the guarantee, for example), it was felt that the future of coffee, and thus the revenue of the island, was fairly well assured and that the colony could therefore pay more for the line than had originally been anticipated. The Report thus advised that the best course of action would be for the Company to hire a contractor to complete the work, on the assumption that such a contractor would agree to undertake the task at whatever cost was proposed by Stephenson. If this plan were put into effect, then the Company would act as little more than bankers for the colony

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[20] The Report and Resolutions were forwarded in CO54/346/55 16 September 1859.

[21] For example, the salaries which he proposed to pay were considerably higher than those usually paid in India at that time.

and the problems which had arisen regarding the administration of the work would be solved.

Unfortunately, the Report was approved by the sub-committee in the absence of two of its members, Braybrooke and Bird, and they subsequently refused to accept the document as representative of their views. Instead, they lent their support to a series of Resolutions which was also passed by the Legislative Council and which, in many ways, ran contrary to the findings of the Report.[22] The first two Resolutions came out strongly against continuing with the work if the cost were to approach that estimated by Doyne, and emphasised that there was no way of insuring against the line's costing even more than Doyne had estimated. Resolution three announced that, in view of the unlimited guarantee and restricted nature of the traffic on the Colombo to Kandy road, the members of the Council regarded the continuation of the contract with apprehension because of the heavy charge which it might impose on the colony. A fourth Resolution suggested that since the contract had been entered into under a misapprehension on both sides as to the cost, steps should now be taken to modify it. These Resolutions were far less favourable to the Company than the Report and there is no single explanation for the divergence of view between them.[23] It may well have been, as Ward suggested, that as time went

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[22] CO54/346/55 16 September 1859.

[23] What seems to have happened is that the Resolutions were first passed by the Legislative Council on a motion by Lorenz, with only the Major-General, the Governor, the Queen's Advocate and the Surveyor-General voting against them. To Ward's amazement, the Colonial Secretary inexplicably moved the adoption of the Report as well, and he and J.K. Jolly joined the officials in voting in its favour. There is no apparent reason for this, other than sheer confusion.

on, the members of the Council became increasingly susceptible to pressure brought to bear on them from outside the Chamber. In this way, both official and unofficial members reflected the confusion felt in the colony. Strong hostility toward the existing Company scheme was evident but there was no united view as to the best course of action. The old fears regarding excessive cost reasserted themselves in some sections and distrust of the Ceylon Railway Company was fairly widespread.

In the Council Chamber, the whole matter was found to be too complex a question for any constructive attitude to be adopted. A body of disunited individuals could not reach a common policy on so diverse an issue. The Legislative Council, having been given the opportunity for a decisive expression of opinion, failed to rise to the occasion. The Report and the Resolutions which were sent to England provided no indication for the Colonial Office of what course the Legislative Council wished to see pursued, for the Council itself did not know. The burden of decision taking was once more returned to the Colonial Office, who could do nothing until the receipt of Hawkshaw's Report.[24]

When in June 1860 this Report, advising that the Company should employ a contractor to complete the work, was received in the Colonial Office, the reluctance of the Company to follow this course made a further reference to the colony essential. The Board of Directors of the Company clearly wished to extricate itself from what the contemporary economic situation made it regard as an unfavourable position.

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[24] Hawkshaw's Report is reprinted in the Minutes of the Legislative Council, 1860. Co 57 | 27

This could only be done with the consent of the other party to the contract, the Ceylon government.

Once again, the Legislative Council was called upon to make an important decision. Was the contract to be annulled, or not? The Colonial Secretary, the Auditor-General and the Government Agent for the Central Province were appointed to a sub-committee, along with Lorenz, Nicol and Robertson. This time, there were no doubts, no hesitations and no differences of opinion. A unanimous report was presented to a full Council in early December, in favour of annulling the contract. It recalled the consternation with which the contract with the Ceylon Railway Company had been regarded originally and the consequent attempt to safeguard the colony's position by the insistence on a preliminary survey. This had proved inefficacious and the committee was adamant that further attempts to negotiate with the Company would be inadvisable. 'The contract,' the Report said, 'is, in itself, open to serious objection; and in the experience the Colony has had of its workings, and of the mismanagement of affairs both in England and in Ceylon, has so entirely verified the apprehensions entertained in 1856 by those who opposed the measure that the Committee are persuaded it would be extremely imprudent to continue a connection which has already proved so unprofitable to the colony.'[25] If the contract proceeded, it was felt the Company would merely spend all the capital it was able to under the terms of the contract and the colony would then be left with an incomplete railway.

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[25] The sub-committee report is reprinted in the Minutes of the Legislative Council for 1860. CO 57|27

There is no doubt, from the Report of this committee and its unanimous approval by the Legislative Council, that feeling ran high against the Company and that considerable bitterness was felt. In contrast to 1859, when the Legislative Council had been divided in its attitude to the railway works, there was now a concerted view that all connections with the Company should be severed. So anxious were the committee members to rid themselves of the contract that they rejected the idea of calling for a strict enquiry into the expenditure of the Company, not because any doubts were entertained that such an enquiry would not prove highly unfavourable to the Company, but because such an enquiry would prolong the colony's connection with the company.[26]

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[26] Ibid.

Chapter 9

PLANTERS AND THE RAILWAY

If the planters had been much slower than some of the merchants to make their voices heard in favour of the construction of a railway in the early fifties, some amends were made for this after the formation of the Planters' Association in 1854. At a meeting of the Association in December of that year, an important Memorial was framed on the subject.[1] It expressed a great sense of urgency regarding the difficulties of transporting the coffee crop to Colombo, and unequivocally criticised what, in its view, was the Imperial Government's lack of action and 'apparent supineness.'[2] The Memorial advanced the view that if the coffee yield increased significantly, it would be impossible to transport the crop to Colombo before the onset of the monsoon, however good the condition of the roads might be.[3] The Ceylon government was urged to act quickly and to pass an ordinance giving a five per cent guarantee on the money needed for construction, without waiting for Imperial sanction.

The Planters' Association committee expressed its complete willingness to agree to the imposition of an export duty to pay any amount in excess of the sum which the colonial government was able to meet.[4] This was a very handsome offer and it is hardly surprising that the

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[1] The Meeting was held on 9 December 1854, and the Memorial was forwarded to London in CO54/314/12 12 January 1855.

[2] Ibid.

[3] Once the rains came, not only did transport in the island become more difficult but freight and insurance charges increased also.

[4] It should be noted that this offer was made by the Planteers' Association Committee and had not been authorised by a vote at a general meeting of the Association.

idea met with the full approval of the colonial government. Anderson duly suggested that the duty should be imposed at a rate which would cover half the amount of the guarantee, the remaining half to be met by the government. Eventually, however, this proposal faded from sight and the export duty was destined to pay the whole of the interest.

The Memorial of the Association illustrates the state of near desperation felt by some of the planters. There seems to be no doubt that the transport situation in the season of 1854-5 was particularly bad, and the Memorial itself complained that, as the year ended, 'Our produce which ought to be on the way to the English market is lying locked up and at the risk of deterioration in our Stores in the Interior, and what we are able to send by the limited means at our disposal is at an exorbitant cost for transport.'[5]

Little action was forthcoming immediately after this Memorial and in March 1855 Andrew Nicol wrote to the Association Secretary, Brown, criticising the Association for having fallen asleep with regard to the matter.[6] It had become known in Colombo that the Ceylon Railway Company was still in existence, and Nicol was anxious that a Planters' Association meeting be convened to exert whatever influence it could on the local government. The following month, such a meeting was called by Jolly and others. In view of the fact that an export duty

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[5] CO54/314/12 12 January 1855. Also reported in Colombo Observer, 11 January 1855.

[6] The direction in which Nicol felt the influence should be exercised was clear. He wrote, 'I fear we are not sufficiently emerged from that dark era of Railway corruption to warrant us receiving as immaculate a self-elected family of Railway Directors.' He reported that feeling in Colombo was generally hostile to the Company. This letter was published in the Colombo Observer, 1 March 1855.

on coffee had been voluntarily proposed by the planters, and also due no doubt to the qualms felt in some quarters about possible dealings with the Ceylon Railway Company, it was suggested that planter representation on the Company's Board should be sought.[7] The immediate result of this claim was a meeting between Jolly and the Governor at which Ward agreed with Jolly's suggestion that an export duty would be more equitable if levied on all products rather than on coffee alone. As a result of this, Jolly was obliged to forego the demand for planter representation on the Board, although he reported that the Governor had remarked that he would like to see the planters represented in the management of the concern all the same.[8]

For the remainder of 1855, London became the centre of activity for railway affairs. In early 1856, the need for a railway was still being voiced in Ceylon but feeling against the Company was hardening in many quarters. A Public Meeting at Kandy on 2 February 1856 came out strongly in opposition to construction by the Company and favoured instead a plan whereby the government would construct the entire line with money raised on a colonial guarantee. Resolution two of this meeting stated that 'whilst appreciating the advantages of a Railway communication when carried out with Economy, this Meeting would deprecate the formation of the proposed Railway by means of a Guaranteed

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[7]This claim was advanced at a Planters' Association Meeting on 21 April 1855, reported in the Colombo Observer, 26 April 1855. It is an indication of the shift of opinion in 1856 that when Jolly accepted a seat on the Board of the Ceylon Railway Company in order to put forward planting views, he was loudly criticised for doing so.

[8]Ward and Jolly met on 7 June 1855 and their discussions were reported in the Colombo Observer, 5 July 1855.

Company and would earnestly recommend to the local Government to undertake the work itself.'[9] Two further important points were made. First, it was proposed that a survey should be carried out before any final decision was made and second, the paramount need for economy was advanced by Wall and Tytler as a basic principle underlying the railway scheme. This was a reversal of previous demands. Formerly, the universal cry had been for a railway at any price. Now these two men, the latter in particular, advanced the proposition that a line which cost over one million pounds to build would not be worth the expense.

Further evidence of dissension in the ranks of the planters appeared at the Annual General Meeting of the Planters on 16 February.[10] At this meeting, George Wall criticised the fact that in his absence from Ceylon, some members of the Planters' Association had volunteered that all planters be taxed in order to finance the railway which was, after all, 'an undertaking of an essentially public nature, involving the interests of all.'[11] He was scarcely able to believe that this is what had happened, he said, and he stressed his belief that 'A railway was certainly a desideratum, but one towards which all classes should equally contribute.'[12] This view would have been of less importance had Wall not been unanimously elected to succeed Tytler as Chairman of the Association on the latter's departure for England.

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[9] Reported in CO54/321/19 6 February 1856.

[10] Reported in the Observer, 18 and 21 February 1856.

[11] Observer, 21 February 1856.

[12] Ibid.

Later in the month, the Planters' Association received a letter from Ward announcing Labouchere's negotiation of a Provisional Agreement with the Company. A public meeting was called by the Association so that this document could be discussed. Shortly before the meeting, Wall wrote to all members advising caution with regard to the railway. He suggested that 'the magnitude of the undertaking as originally proposed, in proportion to the amount of traffic the country affords, may well make us pause and consider whether some smaller remedy, more suited to our means and requirements, might not suffice, at least for the present.'[13] It is thus scarcely surprising to find that a preliminary committee meeting on 12 July resolved in favour of a railway only as far as the foothills as an interim measure. However, this decision was amended at a further committee meeting held immediately before the General Meeting on 19 July. This committee meeting was attended by an unprecedentedly high number of the members of the committee and it was agreed to put a proposal to the General Meeting that the full line be constructed. This was accepted by the Public Meeting - a blow to Wall - but with a proviso added by Christopher Elliott that the cost should not exceed £1,500,000.[14] Clearly, however, the planters in general were less enthusiastic about the railway than had previously been the case and there was evidence of a reluctance to bear the export duty. Sabonadiere and Northmore, two prominent planters, even suggested that the original offer to pay the

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[13] Letter from Wall to Planters' Association members on 14 July 1856. Planters' Association Proceedings, 1856.

[14] The committee and General meetings are reported in Planters' Association Proceedings, 1856.

export duty should be rescinded altogether. In fact, a kind of compromise was reached at the Meeting with the acceptance of a resolution by Bird that the Ceylon government be asked to provide for the payment of interest in such a way as not to press unduly on any one section of the community.

Despite the proviso added by Elliott, the Provisional Agreement, or rather, Ward's precis of its terms, was accepted. A clear difference of opinion had emerged, however, between a small group led by Selby, the editor of the Times, and John Gavin, who praised the government, the company and the contract, and those sceptics, most noticeably, Christopher Elliott, who put very different interpretations upon certain clauses in the contract.

The public meeting had been attended by around two hundred and fifty planters and others. It did not, however, have the final word on the subject, since, as a result of criticisms that those attending the July meeting had seen only a precis of the Agreement, a further meeting was summoned for 23 August. This was a meeting for planters only. Only thirty-seven attended, eleven of whom were proprietors and the remainder, according to Governor Ward, superintendents. The meeting reversed the decision of the general meeting, voting against the agreement with only one dissentient voice, that of John Gavin of Keir, Dundas and Company.[15] A Memorial was adopted which set out the objections to some of the clauses.[16] There is some evidence to suggest that Ward's precis of the Agreement, which was all that the

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[15] Keir, Dundas and Company were the Kandy agents of the Ceylon Railway Company.

[16] Forwarded in CO54/323/153 30 August 1856.

previous meeting had seen, was somewhat favourable to the contract. In this case, the change in attitude may be attributable to the publication of the entire document, but the increasing fear of a high export duty was also a factor.[17] Bird obviously voiced the view of many when he said that a railway had never been wanted on the terms now proposed and that a five per cent guarantee on £800,000 was all that had previously been envisaged.[18]

Many planters changed their view in late 1855 and early 1856 and this was particularly noticeable in the case of some of the most prominent men among them. Alexander Brown showed himself to be one of the most active of planters, and had been an enthusiastic advocate of the railway project. He had helped to draw up the Memorial of December 1854 offering to pay an export duty and at the Planters' Association meeting of 21 April 1855, he stressed the urgency of the situation. 'It is not now a matter of importance merely, but a necessity,' he said, 'which can neither be denied nor delayed.'[19] At home in Britain in 1856 he was much less fervent. At the first railway meeting held in London[20] he advanced the view that while the railway was needed, it was too soon to rush into the arms of the Ceylon Railway

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[17]Middleton summarised this view when he addressed the meeting and said, 'We must bear in mind that our Estates are the only security that exists for the formation of a Railway, so if any disastrous consequences result from the undertaking the brunt of it must be borne by the planters.' Ibid.

[18]Bird's speech to the Legislative Council. Reported in the Colombo Observer, 4 September 1856.

[19]Report of the speech in the Colombo Observer, 30 April 1855.

[20]See Appendix 2 on London meetings.

Company, bearing in mind the lavish manner in which money had been spent by Railway Companies in Britain. By the time of the second meeting, he was openly opposed to the Company, arguing that it was impolitic to agree to the six per cent guarantee on an unlimited sum for an unlimited time.

R.B. Tytler and Captain Bird were also staunch supporters of the railway campaign in 1854 and like Brown they helped to draw up the Planters' Association Memorial of December 1854. By early 1856, however, Tytler became convinced of the need for economy and maintained that a railway which cost over £1,000,000 would not be worth the expense.[21] Bird also cooled noticeably and he pointed out to the Legislative Council in August 1856 that it had previously been supposed the line would cost only £800,000, which now seemed unlikely.[22]

The Planters' Association, and probably the planting body as a whole, were very much divided on the railway question and ceased to express united or consistent views once both the Imperial and the local government proved favourable to the idea of a railway. Initially, there had been a small amount of opposition to the scheme from planters who felt their estates were so remote they would scarcely benefit from the effects of a railway; this was particularly true of the planters of the Badulla area, who were so far removed from the centre of planting activity that a separate Uva Planters' Association was formed. There was also a group who, at an early stage, declared their opposition

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[21] Report of the meeting on 2 February 1856 in the Colombo Observer, 4 February 1856.

[22] Bird's speech to the Legislative Council. Reported in the Colombo Observer, 4 September 1856.

to any scheme involving a company and as 1855 progressed, this opposition hardened. There were a number of causes, not least of which were the tales of corruption in railway companies. Tales also circulated of jobbery within the Ceylon Railway Company itself and these were given ample coverage in the Observer.[23]

Other planters quite simply became fearful of the final cost of the work. It had originally been thought that a rate of one shilling per hundredweight would provide a sufficient export duty to pay the guarantee. With the prospect of a six per cent guarantee on a sum likely to exceed one million pounds, there was a distinct possibility that this duty would have to be increased. To those operating on small profit margins, this might mean the difference between reasonable success and bankruptcy. Many also feared that a company with no real interest in Ceylon might have a disastrous effect on the labour market, by enticing coolies away from estates with the offer of higher wages. It might, therefore, be necessary for planters to increase wages in order to keep their labour force, thus reducing their profit still further. In the years following the inauguration of large public works in Madras, there was an ever-present threat of a labour shortage and it seemed likely that arrangements about labour could be made more easily if the government rather than a private company were in charge of the works.

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[23] A letter published in the Colombo Observer, 28 June 1855 from a London correspondent reported that 'the most disgusting jobbery is being carried on, a set of people who have no interest in Ceylon are the Directors ... what do the present Directors care about Ceylon, or whether the Railway is a failure or not? so being they make a pot of money out of the issue of shares got on our Guarantee.'

Perhaps the basic reason for the modification of view by some planters was the change in the conditions under which coffee was grown. In the 1855-6 season, the market appeared to be more stable and the position of coffee more secure than it had been for some time. Furthermore, the conditions encountered in Ceylon during this season were better than those of the previous year which had been an unusually wet one. This had affected the state of the roads, led to an increase in the cost of rice and caused cattle disease. The only solution had seemed to be a railway. As the 1855-6 season was drier, the crop was conveyed to Colombo at a reasonable rate and before the onset of the monsoon, so the need for a railway was much less apparent.[24] In addition tothis, there had appeared in the colony in mid-1855 an obviously active Governor who was clearly willing to spend money on public works in general and on roads in particular. An efficient road network no longer seemed an impossible dream. The basic problem of the inadequacy of the supply of carts remained, but the urgency of the transport problem was so reduced that it became possible to confront the problem with equanimity, rather than enter into a commitment to what might prove a very expensive railway scheme.

It would be a mistake to assume that all the changes of opinion among planters were in a single direction. There were those who were won over to the Company during 1856; these included three prominent planting names, Elphinstone, Gerard and Jolly. The first of these, a large absentee proprietor with aspirations toward the Governorship of

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[24]The Ceylon Times reported on 29 January 1856 that the 1855-6 season was one of the best ever for shipping coffee. 'Never has a Crop season progressed with so few complaints.'

Ceylon, was an enthusiastic railway supporter, who asserted quite categorically in a letter to Sir George Grey on 14 March 1855 that he was 'of opinion that the best way would be for the Government to make the line.'[25] He was quite confident, at least until the end of 1855, that the main line could be made for well under £800,000, but despite the general scepticism about this in between the first and second London meetings, Elphinstone became a supporter of the Company. This, he admitted, was due to his friendship with the directors.[26] J.K. Jolly was converted to support of the Company for the same reason. There is no reason to doubt, however, that his acceptance of a seat on the Board arose from anything more than a desire to see the interests of the colony represented at that level. His conversion was not well received in Ceylon; neither was that of R.D. Gerard, who also abandoned his stand in support of a government loan and construction by contractors, in favour of a seat on the Company's Board of Directors in 1856. There is nothing to indicate that these changes of opinion were brought about by anything other than a more sure understanding of the situation, following a closer acquaintance with Company personnel in London. Nevertheless, suspicions were aroused, and the appointment of Jolly and Gerard failed to produce the favourable response in Ceylon which might have been expected.[27]

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[25] Letter published in the Colombo Observer, 4 June 1855.

[26] This was reported in an account of the second meeting regarding the Railway in the Colombo Observer of 13 March 1856. Elphinstone continued to accept the contract plan, but was prepared to favour the Ceylon Railway Company as a means of raising the money necessary for the project.

[27] The Colombo Observer published letters from both Jolly and Elphinstone, explaining their action, on 24 March 1856. The paper commen-

The Provisional Agreement was very far from being universally unpopular among planters in Ceylon. After its publication, many who had previously entertained doubts about a company scheme, found sufficient reassurance in the contract and the promises of a preliminary survey, to make the scheme acceptable. Although the Company idea had had few supporters in principle, in practice, when presented with a virtual fait accompli, there were many who were prepared to accept the contract in order to hasten the advent of the railway. There were others whose distrust of the Company made them wary of the contract. Two possible explanations have been advanced for the differing attitudes among planters; first, was an idea propounded by Sir Henry Ward in mid-1856, that the division was essentially one between proprietors and superintendents; and second, there is the possibility that the location of estates dictated the planters' attitudes.

Ward claimed that proprietors, as a class, whether in London or resident in Ceylon, were favourable to the Company scheme, whereas opposition to it could be traced to the Superintendents.[28] These men

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ted that these letters were not likely to impress in favour of the contract.

[28]Ward's general view on the attitudes of superintendents and owners can be found at CO54/323/153 30 August 1856. He felt that the proprietary interests had greater concern for the future of the colony than the superintendents, who, he argued, had no stake in the future of the colony. This is a rather naive argument; large proprietors, such as Elphinstone, had a close personal interest in the Company (as a Director) and the large agency house of Keir, Dundas and Company also had a definite interest in the future of the Company, being its Kandy agents. Ward tried to dismiss opposition to the Company very lightly, and it is interesting to note that he also informed the Colonial Office that he believed a Tamil petition to the Queen on the subject, to have been drawn up by 'one of the Editors of the Observer Newspaper' who obtained the signatures of many Tamils under the misapprehension that the document concerned Verandahs. CO54/323/177 30 September 1856.

he said, had no long-term interest in either the estates or the colony, and often worked for an owner whose view of the railway was completely different. In support of this argument, Ward cited the long list of proprietors who had signed a pro-Company petition in London.[29] He ignored the fact that it was much more unusual to find an absentee superintendant in London. The Governor also claimed that at the second Kandy meeting in August, only eleven of the thirty-seven present were actually owners of estates and that this small block was outvoted by the managers present.[30] Again, he chose to ignore the fact that only one vote was recorded in favour of the Company scheme at this particular meeting so that even the proprietors present were opposed to it. Neither the petition circulated on behalf of the Company in the colony in September 1856, nor the letters received by Captain Bird in opposition to the railway scheme, appear to lend any support to Ward's theories. Both seem to indicate that numbers were fairly evenly divided and that each camp drew its support from a cross-section of the planting community.[31]

It seems clear that no simple theory can account for the differing attitudes adopted by planters over the method of railway construction. Instead, the factors previously mentioned, labour, ability to pay export duties, scepticism over railway companies in general and difficuties

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[29] Ward mentioned that several signatures on Bird's petition against the Company were those of Superintendents of estates, the owners of which had signed the London Memorial in favour of the Company. CO54/323/153 30 August 1856.

[30] CO54/323/163 16 September 1856.

[31] See appendix 3

in obtaining transport at a moderate rate, all exerted varying degrees of influence on different planters at different times. The evidence suggests that prior to the negotiation of the contract, planting opinion was overwhelmingly opposed to a contract with the Ceylon Railway Company. After the publication of the Provisional Agreement, however, there was a slow erosion of opposition which was greatly hastened by the knowledge that, in the event of an unsatisfactory preliminary survey, the contract could be annulled. With the knowledge that the line could be constructed within the limit of £1,200,000 and the consequent final commitment of the colony to the contract, further opposition seemed pointless and acquiescence was deemed the best course.

Planters and Merchants and the Railway after 1856

Although opposition to the Company scheme lived on among planters after 1856, it was far less frequently voiced, since it could not hope to have any effect when the contract with the Ceylon Railway Company was actually in operation. As the works on the line began, the prosperity of the planters not only increased but also began to look much more firmly established and the export duty seemed less harsh a burden to bear than had been feared. Furthermore, worries about possible labour shortages as Company and planters competed for coolies, were partly allayed by the willingness of the Governor to involve the government in immigration.[32]

The seasons of 1856-7 and 1857-8 were far from disastrous ones for the planters. The transport problem was not unduly troublesome and

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[32] The Immigration Ordinance was the high point of this policy.

the appalling conditions of the 1854-5 season, which had encouraged demands for a railway, were not repeated and began to fade from memory. The planters became less and less interested in affairs outside their own narrow sphere of interest; in most cases there were few causes of complaint and less need to participate in public matters. In 1859, both the Planters' Association and the Chamber of Commerce found it impossible to find a suitable representative to serve on the Legislative Council and Ward complained very bitterly of the lack of interest exhibited.[33] Generally, the planters were satisfied with the colonial government and were content to occupy themselves only with matters of immediate concern.

When news broke of Doyne's high estimate, there was no immediate outcry from the planting community such as would have been heard in the same circumstances in 1855 or 1856. The planters reacted calmly and almost indifferently to the possibility that the line could cost over two million pounds. A Memorial was forwarded to Newcastle from the planters of Kandy in October 1859, stating that they considered Doyne's estimate put such a railway beyond the means of the colony, especially in view of the fact that it was far from certain that the line would not actually cost more. It would be preferable, these men felt, to continue without rail transport than to carry on the agreement with the Company.[34]

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[33] See CO54/345/9 23 July 1859, and Appendix to P.A. Proceedings 1859, for a somewhat acrimonious correspondence between Ward and Wall on this subject.

[34] The Memorial from the planters to be found at CO54/346/79 15 October 1859 read, 'in this state of uncertainty as to time and amount your Memorialists are of opinion that the interests of the Island would be better promoted by our being without a Railway for the present than by carrying out the agreement with the Company.'

In general, the Planters' Association took little interest in the matter. The subject of the increased estimate was discussed at a meeting in late April 1859 and the Chairman advised that, in his view, the colony would do well to extricate itself from an unfavourable contract.[36] Other than this, there is an impression that the troubles of the Ceylon Railway were regarded by the planters as matters of small concern to them. In part, this was due to the weakness of the Association, which was torn by the rivalry of owners and superintendents and the attempts of the former to restrict the voting rights of the managers. It was also symptomatic of a dramatic improvement in transport conditions, brought about by both an increase in the supply of bullocks and the financial aid granted by Governor Ward to programmes of road works.

The planters and merchants of the colony had played a major part in bringing about the recognition by the Imperial Government of the need for a railway. They had also vociferously urged their views on the desirability, or otherwise, of a contract with the Ceylon Railway Company. By 1859, however, their interest in the construction of a railway line had receeded and when difficulties occurred they were unwilling and unable to offer any constructive plans for the future.

Chapter 10

THE RAILWAY TO 1865

In early 1861, an Ordinance dissolving the contract between the Ceylon Railway Company and the colony, and repaying the capital of the Company, received the Royal Assent.[1] The future of the railway remained undecided. Fifteen years had gone by since the railway idea had first been mooted and nearly five had elapsed since agreement had been reached with the Ceylon Railway Company. Yet little progress was visible. In return for the expenditure of £300,000, the colony had received only ten miles of incomplete track, a large quantity of rails and a number of locomotive engines, which might or might not be of use in the future. The contract with the Company had been little short of a disaster for the colony.

Several factors had contributed toward this misfortune. In the first place, the contract with the Company had had several serious loopholes. Of these, the most obvious was the fact that the Company was not committed to constructing the line for a fixed amount. Furthermore, the provisions regarding the operation of the time clause were also unsatisfactory since all the land had to be handed over to the Company before the time limit commenced.

Difficulties arose also because several provisions in the contract which were intended to protect the interests of the colony were never brought into operation. One such safeguard was the appointment of a Ceylon government Consulting Engineer. Clause four of the Agreement

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[1] Ordinance 9 of 1861 dissolving the railway contract was forwarded to the Colonial Office in CO54/355/54 29 December 1860. Consideration of Ordinance 10, raising one million pounds on debentures, was reserved until after the meeting of the Company shareholders. CO 54/355/55 29 December 1861.

laid down that the Ceylon government should select the route and direction of the line, but this required the appointment of a competent engineer to undertake the work. The Colonial Office, however, was averse to such an appointment and hence the Ceylon government was forced to rely on the Company's Resident Engineer, Doyne. The powers of supervision granted to the Ceylon government, or rather, vested in its Consulting Engineer, were thereby lost and there was no effective supervision of the work carried out by the Company.

The Company scheme itself, had, of course, never been particularly popular in Ceylon. The low regard in which many contemporary railway companies were held gave the Ceylon Railway Company a poor start and rumours of corruption in London did nothing to improve its standing. Its conduct of affairs, both in England and in Ceylon, was also open to criticism. It may be that it was merely ill-served by its employees; Doyne and Beeston were almost certainly not as guiltless in their conduct as Ward believed. However, the letters of Philip Anstruther to Beeston, exhorting him to deliberately delay the works, must inevitably cast doubt on all the proceedings of the Company. The delays which occurred in choosing the route and in arguments between Doyne and Gregory were instrumental in the failure of the scheme. They convinced the Legislative Council that the contract should be annulled. Furthermore, the difficulties of raising money at the agreed rates in 1859-60 provided the Company with an excuse to withdraw from the Agreement.

Opinion in the colony had ceased to be united regarding the need for a railway soon after the end of the disastrous 1854-5 season. From being a cardinal necessity, the railway became merely a desirable

advantage to some and a sheer extravagance to others. The price which it was deemed worthwhile to pay to secure a line, varied according to the desire of the individual to see a railway built.

By 1859, it was clear that all was far from well with the Company and with the progress of the line. Even then, the Legislative Council was unable to put forward any single, clear proposal as to the course of action to follow. Only when the Ceylon Railway Company showed its desire to be released from the Agreement, did the colony grasp the opportunity, and terminate the contract.

It was necessary for the colony to raise money on debentures to pay off the Railway Company. MacCarthy agreed with a Colonial Office proposal that as large a sum as possible should be contributed from cash in hand so that the amount of interest payable in the future on the debentures could be kept to a minimum.[2] The use thus made of cash in hand may appear entirely reasonable, but it represented a momentous step, creating a precedent which was to prove far from popular among certain sections of the community in Ceylon. In particular, the appropriation of export duties in this way inevitably proved controversial since their imposition had originally been the result of a purely voluntary gesture on the part of the commercial community. The use made of the duties meant that they had been paid for three years without any tangible result. Those who had paid them had received no benefit whatsoever since the duties had been spent partly on interest to the Company

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[2] CO54/361/136 12 July 1861. £200,000 was made available. This comprised £72,600 export duties, £25,600 from the Ceylon Railway Company account with the Oriental Bank and the remainder was appropriated from cash balances, and the Ceylon Widows Pension Fund

and were now to be used to help rid the colony of its contract with the Company.[3]

The Planters' Association, predictably, voiced a complaint about the appropriation of the surplus cash in hand in this way. John Gavin argued forcibly that the debt should have been left for posterity to pay.[4] However, the Planters' Association was again anxious that a railway be constructed and the scheme not be completely abandoned. In July, the apparent lack of action on the subject prompted the drawing up of a Memorial urging that a railway was necessary and that a line even as far as the foothills would be worthwhile.[5]

MacCarthy had told the Colonial Office that he would be reluctant to see the work postponed, but he had also made it clear that he was far from being enthusiastically in favour of it. He wrote to Newcastle in December 1860 voicing his apprehension 'that the very large Expenditure of the last few years, treading as it has done, closely on the heels of the Revenue, may necessitate a very careful husbanding of our resources for some time to come, scarcely compatible with the undertaking of so important a work.'[6] Loth as he would be, he continued, to see the postponement of the work, 'I can foresee the possi-

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[3]The total export duties which had been paid at that time was £103,366. From this, interest of £39,800 had been paid to the Railway Company. CO54/355/40 13 December 1860.

[4]Planters' Association Proceedings, 1862. Address to the meeting of 24 June 1862

[5]Planters' Association Proceedings. A committee meeting held on 12 July 1862 appointed a committee to draw up the Memorial and resolved that 'a line to the foot of the hills would be far preferable to no Railway at all, and it hopes that this obstacle of the ascent will not longer delay the formation of the Railway to the foot of the hills.'

[6]CO54/355/42 15 December 1860.

bility of its being found necessary to postpone it, at least for a year or two longer.'[7]

A decision on the future of the railway was needed so the matter was referred to a sub-committee of the Legislative Council.[8] The decision at which it arrived was that the line should proceed providing an English contractor could be found who would be prepared to undertake the work. The knowledge that Doyne's successor as Company Resident Engineer had found a new line, which he believed could be built at a reasonable cost, undoubtedly influenced the thinking of the committee.[9] With the decision approved by the full Council, it remained only for the Colonial Office to be asked to advertise for tenders.

In the early part of 1861 the Colonial Office had been preoccupied with details arising from the cancellation of the contract with the Ceylon Railway Company. Several firms which had entered into agreements with the Company to produce rails or girders or engines had begun to press the Colonial Office for instructions as to the future of these goods which, in many cases, they had been storing for some time.[10] Hence the Colonial Office awaited a final decision on the

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[7] Ibid.

[8] The sub-committee, which had recommended paying off the Company, had decided that the future of the railway project should be deferred for consideration in depth. CO54/355/42 15 December 1860.

[9] The report of the sub-committee is available at CO57/29 and shows that Molesworth's estimate did receive consideration. The sub-committee wanted the government to continue work on cuttings, but the full Council did not agree.

[10] See CO54/364 Ebbw Vale Company to Colonial Office, 4 February 1862 regarding five thousand tons of rails. Also Messrs Westwood,

future from the colony with some impatience. Officials were pleased to act once the decision was made by arranging for the invitation of tenders. When the tenders were submitted they were forwarded to the colony but were not accompanied by any instructions, the subject of the railway being then under examination by the Treasury. Both the Treasury and Colonial Office officials soon agreed that one of the tenders, by Faviell, was highly suitable, and the Governor was informed of this fact. MacCarthy had already acted, however, by setting up a sub-committee of the Legislative Council to consider all the tenders received.[11]

This sub-committee duly reported in late November and also recommended the adoption of the tender submitted by Faviell.[12] The attraction of this tender lay in its estimated cost, for when this was added to the amount already spent on the Ceylon Railway Company scheme, the total was still under one and a half million pounds.[13] In view of the colony's unfortunate experience with the Railway Company, the sub-committee recommended various safeguards this time. Circumstances were outlined in which it was envisaged the colony could take the work into its own hands and devices were put forward to guarantee the reliability

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Baillie Campbell to Ceylon Railway Company (13 March 1861) and Ceylon Railway Company to Colonial Office (12 April 1861) regarding engines made by Messrs Stephenson and Company.

[11] Reported in CO54/370/175 4 September 1862.

[12] CO54/371/233 29 November 1862. Molesworth was recommended as the Resident Engineer.

[13] Faviells' tender was £873,039, and the value of the works already completed £509,000 making a total cost of £1,382,039.

of Faviell himself.[14] Of particular significance for the future was a proposal that a limit of £20,000 per annum should be set upon the amount to be contributed from general revenue toward the cost. MacCarthy agreed, in his covering despatch, that no greater sum could be spared if, as had been intimated to him, the military contribution was to be increased.[15] On 20 November, the Legislative Council as a whole agreed to ask the Secretary of State to complete a contract with Faviell. So, a third railway scheme was embarked upon.[16]

In January 1863, the 1863 Supply Ordinance was forwarded from Ceylon; the contribution which it provided for railway purposes was limited to the £20,000 which had been recommended by the sub-committee.[17] Although the Colonial Office approved the Ordinance, MacCarthy was reminded, all the same, that contributions to the railway from current revenue should be as large as possible. The Governor responded by suggesting that a substantial amount of capital might be used to reduce the total amount of the debt. In this way, it might no longer be necessary to vote annual contributions from general revenue and any possibly deleterious effects on the development of the colony could therefore be avoided.[18]

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[14] A personal bond of £20,000 was recommended.

[15] CO54/371/233 29 November 1862.

[16] Ordinance 19 of 1862 to raise one million pounds on debentures for the construction of a railway was sent to England by CO54/374/1 2 January 1863.

[17] CO54/374/1 2 January 1863.

[18] CO54/377/126 31 July 1863.

This proposal was referred to the Treasury for comment, whilst Strachey continued the financial calculations on which he was engaged regarding the colony's military expenditure. Although MacCarthy had suggested the appropriation from capital in order to avoid the necessity of spending revenue on the railway, the eventual result of his proposal was that the contribution from surplus capital funds was made as well as, and not instead of, the annual votes from revenue. This was not what MacCarthy had intended, and although the idea of reducing the railway debt as far as possible was dear to the Treasury, it was far from popular in Ceylon. In mid-August 1863, the reply of the Legislative Council to the Opening Address of the Governor warned against such a policy: 'although His Grace the Secretary of State prudently calls attention to the advisability of contributing from current revenue as largely as possible to the Railway construction funds, the acknowledged improvement of the Colony under the past liberal expenditure justifies, in the opinion of the Council, the continuance of a similar policy.'[19] Any new plan by Strachey was therefore unlikely to receive an enthusiastic welcome.

In the event, Strachey's idea was adopted, and the sum of £250,000 was appropriated from surplus funds toward the cost of the railway, by Ordinance 3 of 1864.[20] The Supply Ordinance for the year also included a £30,000 contribution from the revenue.[21] The inclusion of this amount had not gone unopposed in Council, however, and the vote passed

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[19] CO57/33 19 August 1863.

[20] CO54/385/12 13 January 1864.

[21] CO54/386/34 16 February 1864.

the full session of the Council only on the casting vote of the Acting Governor.[22]

The application of surplus funds and annual revenue in this way attracted the predictable adverse criticism in the colony. Opposition was forcibly expressed at a Planters' Association meeting in May at which Alexander Brown denied the duty of the generation then in the island to reduce the railway debt for those to come, who would also have the benefit of the improved communications. 'What has posterity done for us?' he asked, 'that we should submit to be taxed and squeezed in order that they might enjoy ease and affluence'[23] Later in the year, when outrage at the very existence of surplus funds had increased because of the demand for an increased military contribution, Brown outlined a series of ways in which the surpluses could be reduced. By this time, even he had come to accept the idea of using the surpluses to finance the railway, in preference to seeing the money handed to the Imperial Government for military purposes. When Wall proposed a motion in the Legislative Council in November against the vote of £70,000 from the current revenue of 1865 and 1866 toward railway costs, he could find no support.[24] Nothing is more indicative of the furore which the military expenditure question aroused than this. With the third scheme for the construction of a railway under way, it is to the question of military expenditure that attention must now turn.

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[22]The sub-committee tried to reduce the contribution to £15,000.

[23]Planters' Association meeting, 24 May 1864. Report in Observer, 30 May 1864.

[24]CO54/394/240 4 November 1864.

PART III

Chapter 11

INTRODUCTION TO MILITARY EXPENDITURE

The end of the Revolutionary War with France found Britain in possession of a larger number of overseas territories than at any previous time in her history. Some were of trading value, some of purely strategic significance, but in all cases the task of defending these far-flung corners of the new Empire devolved on the Mother Country.[1] Some 48,000 troops, or half the strength of the British army, were engaged in the defence of the colonies after the end of the war, at an annual cost of £3,000,000, towards which the colonies contributed only £300,000.[2] The duties performed by these troops varied. In the obviously strategic posts, such as Gibraltar, their duties were purely those of imperial defence. On the other hand, in some of the West Indian islands, for example, the soldiers were cast, at least partly, in the less obviously imperial role of internal peacekeepers.

The cost of maintaining these troops was high. In 1829, despite attempts at retrenchment, British forces overseas still cost the Treasury around £2,500,000 and colonial contributions had risen only to £335,000.[3] Successive administrations were faced with the problem of how economies in imperial defence could be made. Two obvious alternatives presented themselves: first, the numbers of the troops stationed in the colonies could be reduced, or, second, those administrations which had sufficient financial resources to contribute to the cost of their own defence could be encouraged to do so. The latter idea had

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[1] The exception, of course, was India, which provided for its own defence.

[2] CHBE, p. 808.

[3] CHBE, p. 809.

been suggested by a House of Commons Finance Committee in 1817 but had not been introduced with any marked success.[4]

During the course of the 1820s reductions were made in the size of the overseas garrisons. By 1829, one authority has claimed, the number of troops used to man overseas garrisons had been reduced from 48,000 to just over 30,000.[5] Further reductions took place during the early 1830s and by 1835 only North America and Ceylon still housed garrisons of more than 4,000 men.[6] Whatever the relative accuracy of the figures, it was clear by the mid-1830s that the reductions in the number of troops were insufficient to appease the critics. Fortunately for the Government, the critics had by then lost much of their initial support and the subject of the Empire's defence was not a dominant issue in British politics.

In 1834 the Whig Government appointed a Commons sub-committee to enquire into the military establishment and expenditure in the colonies. The members of this committee included Charles Buller, Henry Ward and Lord John Russell and it recommended that the strictest economy should be observed as regards colonial military expenditure. It even proposed that in any colony where surplus funds remained after civil expenses had been met, they should be used to meet the military costs. No drastic cuts in the numbers of troops were recommended, however, Nor was the duty of the Imperial power to provide for the defence of its dependent territories renounced. Article 1 of the Report

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[4] R.L. Schuyler, The Fall of the Old Colonial System, p. 208.

[5] CHBE, p. 809.

[6] CHBE, p. 809.

emphasised this, saying that it did not intend, by any of its suggestions regarding the size of forces, 'to relieve the Executive Government from the Duty which constitutionally belongs to it, of providing, on the responsibility of the King's Ministers, a Force sufficient for the Security of His Majesty's Possessions abroad, which Experience has proved is liable to vary in time of Peace, according to several contingencies arising out of internal or external forces.'[7] The Canadian rebellion of 1837 and the onset of the Kaffir Wars also increased the difficulty of cutting back the number of forces employed abroad.

The increasing cost of imperial defence came under attack again in the 1840s and 1850s from two sides. Both the Free Traders and the Colonial Reformers criticised the expense to the Mother Country of maintaining garrisons in countries such as Australia, New Zealand and the Cape, where, they felt, the British colonists ought to be capable of keeping internal order and where there was no obvious danger of external attack. The connection between representative government and self-defence was expounded by Molesworth, the leading Colonial Reformer, who insisted that it was better both for the colonies and the long-term interests of the Empire that the former should be thrown upon their own resources as regards defence. He did not deny that troops necessary for an Imperial war should be an Imperial expense, but he stressed that those colonies with representative institutions were themselves responsible for any local wars in which they became involved and should pay the costs which they incurred. Furthermore, Molesworth favoured the abandonment of all but eight or nine of those imperial

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[7] Quoted in Schuyler, p. 209.

possessions which were primarily of military importance. Since Ceylon was neither included among those possessions which Molesworth regarded as having military significance nor was a colony with representative institutions, he favoured its being handed over to the East India Company.[8]

Two main plans were advanced during these years for reorganising and effecting economies in military expenditure. The first scheme was evolved by the staunch Free Trader, Earl Grey, who was Secretary of State for War and the Colonies from 1846 to 1852. He suggested that if the colonies took over the cost of military works and barracks, Britain could supply a fixed number of troops in return. Any troops required above this number could be supplied at the expense of the colonial government. This plan was put into practice with some success in parts of Australia and North America, but made little impact on the Empire as a whole.

An alternative plan was propounded by Denison, the Governor of New South Wales. He felt that the colonies themselves should decide on the number of troops which they required, should undertake to pay for works, stores and similar items and that the main cost should then be equally shared by the colonial and Imperial Governments. This plan had its critics, among them the Duke of Newcastle, who felt that it afforded too much power to the colonies in calculating the number of troops needed. Newcastle became Secretary of State for the second time in 1859 and continued the policy he had followed during his pre-

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8 The threat of annexation to India hung over colonists for some years.

vious tenure of office of reducing the number of troops stationed in the colonies. This was successful in the early 1860s with regard to Australia, the Cape and the West Indies, though the effect of the reductions in these colonies was not noticeable in the Empire as a whole as additional troops had to be sent to Mediterranean bases because of the fear of war with France. Newcastle's policy was founded on the firm belief that the most sound defence policy was to rely on naval supremacy. The reductions which he made in the garrisons of self-governing colonies stemmed as much from a belief in self-defence as the corollary of self-government as from the need to economise. As regards other colonies, he maintained that the discretionary power of the Secretary of State should be used in the light of his knowledge of local circumstances.

Such was the importance of the whole question of colonial military expenditure that it was referred to an Inter-Departmental Committee in 1859. This consisted of one representative from each of the interested Departments, the Colonial Office, the War Office and the Treasury. The establishment of the Committee was largely the result of increasing embarrassment in the War Office at being held accountable for aspects of colonial military organisation when its Departmental knowledge of the colonies was scanty. Until 1854, the War and Colonial Offices had been combined under one Minister who had thus had easy access to all the relevant facts. The division of the Office into two separate departments created an anomalous situation of which the War Office was only too aware. As Hawes, the Under-Secretary at the War Office, pointed out in a letter to Merivale in March 1859, 'The duty and responsibility of dealing with such demands [for troops and stores],

and of explaining and defending to Parliament the expenditure incurred or proposed in respect of them, now devolve on a Minister who has no official knowledge of the political and social circumstances of the Colonies, and no means of communicating with Colonial Governments.'[9]

The Report of the Committee achieved nothing because of the fundamental difference in the approach of the Treasury and the War Office on the one hand, and the Colonial Office on the other.[10] As the 1860s dawned, the situation remained unsettled. Both the War Office and the Treasury, which was preoccupied with the need for economy, were bringing pressure to bear upon the Colonial Office to change the existing organisation of military defence in the colonies. The Colonial Office, however, sought to resist these pressures so that it could solve the problem in its own way and in the light of its superior knowledge of the individual colonies. Whereas the War Office saw only general categories of colonies, the Colonial Office approach was much more flexible, as its conduct with regard to Ceylon illustrates.

The Background in Ceylon

Very soon after the occupation of Ceylon by British forces in 1796, the Imperial authorities made their intentions regarding future expenditure clear. In an often quoted despatch of 13 March 1801, Dundas wrote to North, 'I cannot doubt that at a period not very distant the revenues of the island will be found fully adequate to defray

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[9] Hawes to Merivale, 14 March 1859, published in the Report of the Committee on the Expense of Military Defence in the Colonies, BPP vol. 41, 1860, p. 573 et seq.

[10] Elliott's conclusions can be found in a separate memorandum on pp. 11-19 of the Report.

all its expenses, civil and military, and that a considerable overplus ... will remain disposable for the benefit of this country.'[11] Twenty years later Bathurst echoed this view in writing to Sir Edward Paget. In an equally well-known despatch, he re-affirmed the Imperial Government's wish to transfer to the colonial establishment the military charges which were then still paid by the British Government.[12] These hopes, expressed in the early years of the century, bore no fruit, however, and Ceylon continued to be a drain on Imperial resources. In 1857-8, Britain still paid around £100,000 per annum toward the military expenses of an island which had neither hostile tribes within its frontiers nor any real fear of aggression from without. Thus Ceylon was a prime target for those seeking to reduce the British Government's financial commitments overseas.

The constitutional position regarding the payment of military expenditure at this time requires a brief explanation. The military costs which the colony paid were charges incurred upon the authority of Her Majesty's Government and were an outlay over which the Legislative Council had no control. Earl Grey had, however, outlined a plan in 1848 whereby control of the colonial budget would devolve onto the Legislative Council.[13] As regards civil expenditure, it was promised that this would happen whenever a revision of the civil establishment

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[11] Dundas to North, 13 March 1801, quoted in BPP vol. 38 1865, Papers on the cost of the Military Establishment in Ceylon, p. 14.

[12] Bathurst to Lieutenant-General the Honourable Sir Edward Paget, 21 August 1821, ibid., p. 15.

[13] Grey's despatches of 18 May 1847 (despatch 216) and 17 July 1847 (despatch 252) referred to in Memorandum on Military Expenditure, ibid. pp. 4-13

took place. This was finally completed in 1858, but no condition or plan was ever set out with regard to military expenditure. It therefore remained quite clear that the Legislative Council had no control over the military budget. There were those who contended that this was the most suitable arrangement and who did not favour the implementation of Grey's promise. Governor Ward, for example, wrote privately to Lytton on 29 September 1858, and referred to Grey's promise 'which I hope will never be claimed, or fulfilled'.[14] Ward felt it desirable that the Imperial Government should retain the ultimate control of military expenditure and he feared the consequences which would ensue if the Legislative Council possessed significant power on the matter.

The size of the military bill might well have proved acceptable to the colony had the advantages of the military presence been more apparent. Instead, it was clear that both the inadequacy of the force and the condition of the fortifications would render any real resistance to external attack quite hopeless. In 1859, Ward reported to the Colonial Office his full agreement with the Major-General's view of the deplorable state of the defences and he gave his opinion that, in the existing conditions, nothing could render Colombo defensible for even twenty-four hours.[15] Some guns were quite unserviceable, he reported, whilst the walls were unlikely to prove sufficiently strong to withstand even the recoil of new guns.[16]

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[14] Private letter of Ward to Lytton, 29 September 1858, letter 1.

[15] CO54/343/81 23 April 1859.

[16] Ibid.

Nor did the internal situation appear to merit such a sizeable military outlay. There were few, perhaps, who denied the need for a force of some kind to safeguard internal security, but many claimed that a civilian police force could undertake many of the functions which were being carried out by the military. Despite the troubles of 1848 and the Mutiny in India in 1857, the internal threat seemed too vague to warrant such high military costs, particularly during the early 1850s and 1860s when retrenchment was practised with regard to civil expenditure. When money was spent, as it was during Ward's Governorship, on objects close to the hearts of the most vociferous members of the community, then the high level of military expenditure was tolerated. Once economy became the order of the day and public works expenditure ceased to satisfy demands, discontent over the expenditure for military purposes grew and became the focal point for criticism of the government.

The most unpopular part of the military expenditure, and the item on which attention was usually focused, was the £24,000 direct contribution made annually by the colony to the Imperial Exchequer. This was actually but a small part of the total military bill met by the colony and it was the only part paid direct to the Imperial authorities. It had been first levied in 1836 when there was apparently an amount of surplus revenue. It was subsequently claimed by colonists, and on occasion by Governors, that it was an unfair impost, since they maintained that the supposed surplus had been caused by the omission from the accounts for that year of an £87,000 issue of government notes and the inclusion in receipts of amounts from the Pearl Fisheries,

a far from permanent feature of the accounts.[17] Strong feelings against the contribution were expressed by Governor Stewart MacKenzie in 1841 and he claimed that 'if some temporary financial relief is not afforded to the Colony till these resources are developed, the progress the Island is now making must be retarded, if not altogether arrested.'[18] Had a boom in land sales not taken place in the 1840s, the colony might well have found great difficulty in paying the impost demanded. Certainly, in the difficult economic climate of 1849, Torrington pleaded with the Colonial Office for the remission of the contribution, writing to Grey: 'I feel it my duty to represent to Your Lordship the strong and increasing conviction in the minds not only of the Members of the Council but of all Classes of the people conversant with public affairs, that this payment was made under a misapprehension of the real state of the Finances of the Colony, that it is a payment which no other Colony is called upon to bear, that it is highly injurious to its interests, being in fact a sum which would be otherwise employed in public works and roads.'[19]

There were intermittent murmurings from the Europeans about the contribution. The Chamber of Commerce expressed their hope in early 1851 that the need for a railway, and the apparent impossibility of financing it, would lead to the remission of the annual military contribution so that the amount in question could be appropriated to

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[17] CO54/246/40 11 February 1848, Torrington to Grey.

[18] CO54/187/19 12 February 1841.

[19] CO54/261/159 14 November 1849.

railway purposes.[20] In January 1851, The Times had thundered against what it termed 'the shameful exaction of £24,000 per annum for Military purposes'.[21] Of undoubted significance for the future was the fact that many who protested about this contribution were unaware that this was not the entire military burden shouldered by the colony.[22]

Another item of military expenditure which aroused interest was the question of military allowances and in 1858 Ward established a Commission to report on this. They were paid by the colony to the troops over and above their normal remuneration, and were meant to compensate for the additional living costs incurred in a tropical climate. These allowances were widely held to require revision: the military authorities, however, argued that increases were necessary whilst their civilian critics demanded reductions in the amounts already paid. The Commission actually reported in favour of augmenting the allowances, and Ward sanctioned the arrangements without consulting the Legislative Council.[23] This was despite the fact that the rent and travelling allowances had been separated from the general island allowances for the first time and were supposed to be voted by the Legislative Council and not incurred solely on the authority of the Imperial Government. Although the new arrangements were eventually submitted for Legislative Council approval, Council members were quick to point out that the Council had been by-passed.

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[20] Ceylon Times, 7 February 1851.

[21] Ceylon Times, 16 January 1851.

[22] Ward wrote in a private letter to Labouchere on 12 April 1856 that 'nine people out of ten, believe the Military Contribution to be £24,000 not £80,000, at which you correctly state it.' Letter 1.

[23] See Chapter on the Legislative Council and Military Expenditure, pp 217-218

Military expenditure was an emotive subject and one destined to come to the fore during the years 1855-65. In Britain, the Colonial Office was under pressure from other government departments and from Parliament. In Ceylon, the topic was a rallying point for those critical of the Imperial authorities. It was impossible for both those in Britain who saw Ceylon's contribution as too small, and those in Ceylon who felt the payments made to be too large, to be satisfied. How the question developed and was eventually resolved will now be shown.

Chapter 12

THE GOVERNOR AND MILITARY EXPENDITURE

Governor Ward implied soon after his arrival in Ceylon in 1855 that he considered the colony's military costs were too high considering the relatively small size of the force stationed there.[1] This was a view which both he and his successor, MacCarthy, stressed repeatedly over the next ten years. In particular, both Governors, and many sections of the public, had in mind the number of permanent staff stationed in the island. Ward made no secret of his desire to see a reduction in their numbers but the military authorities showed no inclination to comply with his wishes. Instead, the Major-General insisted that the reduction of troops in the colony over the past years had not led to a corresponding reduction in the work load of the permanent staff.[2] MacCarthy also felt that reductions could be made in the size of the establishment and the strength of the medical staff in particular aroused his attention. His belief in the necessity of reductions led him to urge that any settlement of the military expenditure question should include provision for the revision of the establishment by the Legislative Council at the same time.[3]

MacCarthy did not adopt a blindly anti-military stance, however, for he was willing to concede that the Major-General himself was possibly underpaid, considering the amount of work which he was called upon to perform. Nevertheless, as he pointed out to Newcastle, he felt that there existed 'a cloud of inferior functionaries, Adjutant-

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[1] CO54/316/70 1 August 1855.

[2] CO54/316/88 15 August 1855.

[3] MacCarthy to Newcastle, 29 March 1863. NeC. 10,997.

General, Quarter-Master-General, Military Secretary, etc. etc. each with a staff of Clerks and office Establishments, who have little or nothing to do, and draw high allowances for doing it.'[4] It was here, he said, that reductions should be made.

Although he was anxious that the Legislative Council should be granted this power of revision, MacCarthy fully endorsed the fears which Ward had expressed regarding the advisability of allowing the Legislative Council any voice in deciding the actual size or distribution of the force to be stationed in the island, or any matter relating to pay or rations. He strongly asserted that this power should be retained in the hands of the Crown. Ward had felt that, despite the validity of many of the criticisms made of the amount of military expenditure by the Legislative Council, it would be altogether impolitic to allow it wholesale powers. 'Like all Colonies and all Colonists,' he wrote, 'there is a disposition to be profuse, or saving, according to the circumstances of the moment; and the Vote to be taken would often depend less upon the justice of the proposal, than upon the time at which it was made.'[5] For this reason, MacCarthy declined to look favourably upon an Address from the Council requesting that it be empowered to investigate the whole question of military expenditure.[6] Instead, he suggested that the colony should be charged a fixed annual sum to cover its entire military budget, with the admin-

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[4] MacCarthy to Newcastle, 29 March 1863. NeC. 10,997.

[5] CO54/346/90 8 November 1859.

[6] MacCarthy's comments can be found at CO54/367/37 13 February 1862. They were essentially an endorsement of the opinion previously expressed by Ward.

istration of this amount being left entirely to the military authorities.[7]

This was essentially the plan which had already been recommended by a Colonial Office sub-committee for Mauritius. It formed the basis of Strachey's plan for Ceylon. MacCarthy received an outline of the proposed scheme in a private communication from Newcastle and, as early as February 1863, learnt of the intention of the Colonial Office to levy an additional £35,000 at once and an additional sum on completion of the railway.[8] Opposition from him at this stage would have carried some weight in the Colonial Office, but none was forthcoming. Instead, he termed the proposal 'a very moderate and reasonable one,'[9] and declared himself fairly certain of being able to meet the demand without either increased taxation or any curtailment of public works. He did, however, suggest the desirability of postponing any increase until after the completion of the railway, but this was a proposal with which Newcastle was unable to comply.[10,11]

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[7] Ibid.

[8] Newcastle to MacCarthy, 26 February 1863 (unnumbered).

[9] MacCarthy to Newcastle, 29 March 1863. NeC. 10,997.

[10] Newcastle to MacCarthy, 26 February 1863 (unnumbered). Newcastle expressed sympathy with this idea, but pointed out that he had not demanded the whole of the increase at one time because of the railway construction. However, he felt that given the increased wealth of the colony, some interim payment was reasonable.

[11] MacCarthy continued to stress the need for a revision of the military establishment. After Fortescue's speech in the Commons in April 1863 which warned of an increased military contribution from Ceylon, there was a resurgence of interest and concern in Ceylon. MacCarthy wrote to Newcastle: 'I always expected a little thunder of this kind on the first announcement of an intention to increase the military charges on the Colonial Revenue. It will, however,

The view adopted by the Governor and members of the civil administration toward military expenditure was not unaffected by the fact that relations between the civil and military authorities on the island were not always as cordial as might be imagined. This added an extra dimension to the controversy over the military question. In particular, island allowances payable to soldiers over and above their normal pay, proved a bone of contention. Torrington had given some indication of the difficulties encountered, when writing to the Colonial Office as early as 1850 concerning a difference between the civil and military authorities as to whether or not an island allowance was payable to a doctor then on the island. He pointed out then that 'it needs my utmost vigilance to keep down the numerous military charges which are daily sent in.'[12] Although, on this particular occasion, Grey supported the case advanced by the military authorities, he was well aware of all aspects of the problem and tried to bring pressure to bear on the War Office to reduce costs in 1848, but to no avail.

A difficulty flared up in 1858 over the military reserves and this also created ill-will between the civil and military authorities and between the latter and some sections of the civilian population. The War Office ordered the revival of claims to any military lands which had not been officially abandoned, and many areas in Ceylon which had not been used by the military for decades were involved. In many cases, the lands had fallen into civilian use. The only quarry near

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[11] be easily met, if we are permitted, concurrently with the increased charge , to revise and modify our military establishment.' 16 May 1863. NeC. 10,998.

[12] CO54/270/112 8 July 1850.

Hambantotte, for example, was situated on land which strictly belonged to the military authorities. The revival of claims to it led to a refusal by the military to allow the quarrying to continue, even for stone which was needed to repair a local customs house.[13] Furthermore, lands within the Eastern redoubt at Kandy, which had originally belonged to the military authorities, had been sold in lots in 1848, with the full consent of those authorities. However, no formal abandonment of the lands had ever been authorised so that these too fell strictly within the bounds of the War Office claim.[14] Although by the end of the year a scheme had been worked out by which the military retained possession of only certain sites on the island, the incident did nothing to improve the standing of the military authorities in the colony, either with the civil administration or with the colonists.

The situation was exacerbated during the Governorship of MacCarthy by the need to curtail expenditure as far as possible. The military represented not only a major source of expense but also one where extravagances seemed obvious and possible remedies clear. Much depended in these circumstances on the personal relationship which evolved between the Governor and the Major-General. MacCarthy, despite his widely acknowledged charm, failed to establish any rapport with the elderly Major-General O'Brien. Instead there occurred, in the early years of the decade, a series of wholly unedifying disputes between the civil and military authorities occasioned, in the main, by claims for

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[13] CO54/336/77 10 September 1858.

[14] CO54/335/63 29 June 1858.

island allowances for officers who were in excess of the usual complement. MacCarthy and the colonial government interpreted the existing arrangements in the strictest possible sense; they complained, for example, of the existence of four surgeons in 1861, when only one had been required to attend a much larger garrison in 1834.[15] The arrival of a new chaplain to the forces in 1861 was also criticised and, after many months, representations by the civil government were successful in securing his recall.[16] Even so apparently trivial a subject as the allowance due to store keepers was a matter on which the civil and military authorities could not agree.[17] These disputes not only marred relations between the two but also convinced the Colonial Office of the need to arrive at a speedy settlement of the military expenditure question, so that such time-consuming arguments could be prevented. 'I cannot help thinking,' minuted Robinson in 1864 when forced to devote time to consideration of a disagreement over pensions payable to the Ceylon Rifle Regiment, 'that no question of this sort would arise if there were a clear and cordial understanding between civil and military authorities in Ceylon.'[18] Whilst appreciating that the desire of the civil government to curtail expenditure played a not inconsiderable part in provoking these disputes, Newcastle also recognised that the military leadership in the colony since the advent of Major-General

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[15] CO54/361/144 23 July 1861.

[16] See CO54/361/152 29 July 1861, CO54/365 3 June 1861 War Office to Colonial Office, and CO54/365 31 August 1861, War Office to Colonial Office.

[17] CO54/367/36 12 February 1861.

[18] CO54/393/205 9 September 1864.

O'Brien had been far from cooperative. 'The military in Ceylon,' he minuted in October 1861, 'no doubt under the inspiration of the Major-General, have lately become very persevering in demands of questionable reason.'[19]

Relations between the civil and military authorities deteriorated still further over what may be termed the Sikh affair of 1863-4. The necessity of recruiting more extensively than hitherto for the Pioneer Corps of the Public Works Department led the government to look to India, where the colony's plantation labour was already recruited. With the aid of the Indian authorities and a Major MacMullen, one thousand Sikhs were recruited from the Punjab to join this Corps. The first five hundred of these arrived in Ceylon in mid-1863. It was soon apparent that the Sikhs had either been deliberately misled or had totally misunderstood the nature of the work for which they had been recruited. A martial sect, many of the tasks involved in road-making were repugnant to them. Three of the five divisions into which they had been divided refused to commence work and the remaining two soon ceased operations. The Ceylon government was placed in a quandary. Uncertain of the terms upon which MacMullen had recruited the men, it could do nothing more than await his arrival in Ceylon to clarify the matter. This was unfortunately delayed for two months by illness. In the meantime, the unfortunate Sikhs were kept on three-quarters rations. To exacerbate the position, alleged cases of ill-treatment of the Sikhs by government officials were brought to the fore by native proctors in Kandy.[20] Some Sikhs, in desperation, even began

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[19] CO54/365 4 October 1861, War Office to Colonial Office.

[20] Despite isolated cases of hostility, the treatment of the Sikhs in Ceylon was probably reasonable by contemporary standards.

the long trek back to India along the infamous North Road, and fears grew among the planting community that the tales which they might tell in India of their treatment in Ceylon would deter prospective immigrant workers. Eventually, the majority of Sikhs were sent home by sea at government expense. Although opinion in the colony tended to lay the blame for the whole affair on the shoulders of the Indian government,[21] the incident did not improve relations between the civil and military authorities because the latter saw fit to support allegations of misconduct by the civil government.

Major O'Brien, the son of the Major-General, and himself a staff officer in Ceylon, espoused the cause of the Sikhs and wrote a letter to a friend in India which was severely critical of the civil government. The friend to whom he wrote happened to edit an Indian newspaper, the Mofussilite, and he duly published the letter. The authorship of the document was soon discovered and MacCarthy requested that the Major-General formally censure his son for writing in such terms. The Major, however, took the apparently extreme step of demanding a Court Martial, to which his father assented. Colonial Office officials were appalled when informed of the impending proceedings, for it seemed clear that the Major-General was determined to use the incident to present a critical review of the conduct of the civil government over the whole episode.[22]

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[21] Given the undoubted unpopularity of the Ceylon government with the planting community at this time, it may seem strange that the planters did not grasp the opportunity to attack the government over this issue. The answer almost certainly lies in the fact that when the standing of the European settlers vis-à-vis the 'natives' was involved, the planters identified wholeheartedly with the government, especially if the Burgher community showed itself to be on the other side.

[22] CO54/385/14 13 January 1864. Rogers noted that only MacCarthy's

In December 1863, Major-General O'Brien assumed the Acting Governorship of the colony when MacCarthy was forced to depart because of his deteriorating health. Even when in Office, O'Brien continued to espouse the cause of the Sikhs and he bombarded both the Colonial Office and the War Office with details of their alleged mistreatment, and with attacks on Major Skinner, one of whose officers was accused of having flogged Sikhs.[23] The Major-General's criticisms of MacCarthy were thinly veiled, and he claimed that MacCarthy had not replied to his demands for an enquiry when the accusations were first made.[24]

The Court Martial of Major O'Brien lasted seventy-two days and finally he was found guilty on only one of the five charges levied against him, that of falsely claiming that the Colonial Secretary had tried to persuade him to say that the Sikhs had been well treated. His father ignored the order of the Court that his son be admonished for writing the offending letter. Instead, he claimed that this was not necessary since his son had not been found guilty of conduct unbecoming an officer and a gentleman. In his capacity as Head of the forces in the island, he laid aside the verdict.

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opposition to the charges as originally framed prevented the hearing becoming merely a trial of the Ceylon government.

[23] CO54/389/91 7 May 1864. Rogers particularly resented the attacks made on Skinner. 'I think an old, honourable and most valuable officer must have boiled with indignation when he had to answer General O'Brien's sixteen questions'. Rogers did not dispute that the officer concerned, Captain Oldfield, deserved to be severely reprimanded 'but that I hesitate to recommend that he or any other public officer concerned in this affair should be placed in any degree at General O'Brien's mercy.'

[24] Letter to the Commander in Chief enclosed in CO54/385/14 13 January 1864.

Any possibility that the Major-General's conduct over the Sikh affair was inspired by righteous indignation over the treatment of the Sikhs is dispelled by his conduct over his son's Court Martial. Immediately it was over, he wrote to the Colonial Office complaining that the evidence given by the Colonial Secretary had been hearsay and that of the Surveyor General merely opinion.[25] Furthermore, he protested against the undue vehemence with which he considered the Prosecutor, an army Captain, had pursued his case.[26] The officials at the Colonial Office had no doubts that he had favoured his son throughout, and Rogers minuted that 'General O'Brien would be better anywhere else than administering the Government of Ceylon.'[27] Nor was this an isolated view. Newcastle wrote in January 1864 that he feared 'Sir C. MacCarthy's absence will be much longer than it will be safe to leave such a man as General O'Brien at the head of affairs.'[28] Fortescue also favoured his removal from the Acting Governorship.[29]

Nor did the Ceylon Press support the view taken by the Major-General over the Sikh affair. The Examiner was sympathetic to Major O'Brien (Lorenz, in fact, conducted his defence at the Court Martial), but even it did not blame the government for the situation which had

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[25] CO54/387/Confidential, 27 February 1864.

[26] This charge was contained in a letter from General O'Brien to the Field Marshall commander in Chief and a copy was enclosed in CO54/387/Confidential, 27 February 1864.

[27] CO54/387/36 16 February 1864.

[28] CO54/385/14 13 January 1864.

[29] Fortescue minuted on CO54/387/36 'I think that the Administration of the Government of Ceylon should be taken out of General O'Brien's hands....'

arisen. However, it did accept the charge of ill-treatment made by Major O'Brien. The Observer, not noticeably inclined to support the government, took a very different view, criticising O'Brien's indiscretion and welcoming the news that the Major had been relieved of his staff post and been sent to rejoin his regiment in India. An editorial asked a most pertinent question concerning O'Brien's interference: 'is anyone so green as to believe that the sole actuating motive was generous sympathy for his old companions in arms - with no mixed motive in the shape of a desire to "feed fat on an ancient grudge" against the Governor and the Colonial Secretary who had opposed unlimited military expenditure?'[30] Certainly, the attitude adopted by both O'Briens had at least part of its roots in the treatment accorded the military by the civilian government. When writing to the Colonial Office in January 1864, the Major-General could scarcely disguise his pique as he described how a memorandum on recruitment in India drawn up by his son had been ignored by the civil government.[31]

The Sikh affair was used by the military authorities to avenge themselves for the attacks made upon them in previous years. It can scarcely be coincidental that the man most singled out for attack was the Colonial Secretary, W.C. Gibson, who had been most incisive in his criticisms of high military expenditure. In this situation, the assumption by Major-General O'Brien of the Acting Governorship was a most unhappy chance. Lacking the tact to heal the divisions in the

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[30] Observer, 21 April 1864.

[31] CO54/385/23 29 January 1864.

administration, O'Brien invited attacks on his predecessors' policies by his own open opposition to them. In forwarding the Address of the Legislative Council on 30 August 1864, which had been amended by the unofficials to contain criticisms of MacCarthy's policy, he pointedly refrained from objecting to the content of the amendment, merely writing that he could not approve of its tone.[32] He took exception to the Executive Council Minute of August 1864, particularly the section which defended MacCarthy's actions and those of the Council by emphasising how necessary economy had been after the profuse expenditure of Ward's Governorship.[33] O'Brien responded to this by arguing that Ward's liberality had repaid ample dividends and he openly criticised the existing state of roads and public buildings in the colony.[34] When the official members of the Legislative Council resigned, O'Brien showed a sympathy with them which was wholly inappropriate to the Acting head of the colonial administration. He wrote to the Colonial Office that he had no desire to blame them unduly for the step which they had taken, adding his own belief that the action 'was the final manifestation of the feeling of dissatisfaction originally produced in consequence of their former Memorials remaining unanswered.'[35]

Thus the significance of the Sikh affair and the Major-General's conduct lies in the fact that his views on his predecessor's government positively encouraged criticisms of it. Unfortunately for him, the

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[32] CO54/392/200 30 August 1864.

[33] CO54/392/Separate 30 August 1864.

[34] Ibid.

[35] CO54/394/265 30 November 1864.

criticisms which emerged were made by those who opposed any increased military contribution. By fomenting attacks on MacCarthy's government, he also encouraged an increase in solidarity within the ranks of the members of the civil administration. Those who had previously been opposed to increased military expenditure now gave priority to defending the government of which they had been a part.

Chapter 13

THE COLONIAL OFFICE AND MILITARY EXPENDITURE

Throughout discussions of the Imperial military expenditure question in Britain, the Colonial Office was subject to pressure not only from the colonies but also from Parliament and from other Government offices. The other departments most closely concerned with the matter were the War Office and the Treasury, and it was with their permanent staff, and in particular J.R. Godley, that most difficulties occurred. These were highlighted in the Inter-Departmental Committee of 1859. The Colonial Office had agreed to the establishment of this committee only with reluctance and had stipulated that its findings should not be mandatory upon them. This was fortunate since Godley and the Colonial Office representative, Elliott, were quite unable to agree, and Elliott ultimately produced a Minority Report.[1]

The two Reports differed not in superficialities but on basic points of approach. This highlighted a deep-rooted difference of attitude in the view adopted of the colonies by the different departments. Godley and Hamilton divided all colonies into only two groups, military bases and others. They proposed that each colony within this latter category should have the right to decide on the nature and the extent of the force stationed inside its boundaries. This plan, the Report stated, was bound to convey, 'in the most marked and emphatic way, the determination of the mother country that the Colonies should be governed through and for their own peoples....'[2] The emphasis in this scheme was on the fact that the colonies ought to assume the main

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[1] BPP 1860, vol. 41, p. 573 et seq., pp. 11-19 of these papers.

[2] Ibid., Report of Godley and Hamilton, pp 2-11.

responsibility for defending themselves, receiving Imperial aid only if absolutely necessary. An opposing view was advanced by Elliott. Whilst anxious to obtain a contribution toward defence costs wherever possible from those colonies able to afford it, he nevertheless believed that such a contribution bought no right to share in the overall management of the forces. The idea that all contributions should be raised at a uniform rate, irrespective of the financial condition of the colony was quite unacceptable to him and he argued instead that colonies should be asked to make payments according to their financial means. To illustrate his view, he pointed to the marked differences which existed between some of the colonies within the broad group of military bases, for example, between North America and Ceylon.

This Report precipitated no action, but Godley's viewpoint was widely quoted in Ceylon in the following years as an example of the anti-colonial feeling which existed within the British Government. Continued agitation in Britain regarding colonial military costs meant that the Colonial Office was obliged to accept the establishment of a Parliamentary Select Committee on the subject in 1861. Among the recommendations of the Committee was one that Ceylon should bear the cost of troops stationed in the island to a much larger degree.[3] Furthermore, there were signs that a campaign had begun to have Ceylon annexed to India, and questions were raised in the Commons about this.[4]

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[3] BPP 1861, vol. 13.

[4] On 23 March 1863, Lyall drew an unfavourable comparison between India, which he portrayed as a source of wealth to the Mother country, and Ceylon, which was 'rich, flourishing and with an over-flowing exchequer' yet which cost Britain some £110,000 each year. Hansard, vol. 169, 20 March 1863, question 1659.

The suggestion was most unpopular in Ceylon and, although the Colonial Office viewed the proposal with similar disfavour, officials realised that it provided a useful weapon against possible colonial opposition to paying an increased share of the island's military costs. Some three years later, the Secretary of State again referred to the suggestion, reminding the Acting Governor that 'The views of Her Majesty's Government have been opposed to such a measure as inimical to the best interests of Ceylon, but it has been felt that the necessary consequence of such opposition is to call upon Ceylon to do more fully than heretofore that which India does completely - provide for its own defence.'[5]

Partly in response to Parliamentary pressure and partly as a result of the new railway project, a reappraisal of Ceylon's financial position was embarked upon in the Colonial Office in 1862. At this time, the Imperial and Ceylon Governments contributed approximately £100,000 each toward military costs every year. An examination by William Strachey of the returns of colonial revenue and expenditure for 1861 uncovered a surplus of revenue over expenditure of £92,013.[6] Strachey saw no reason to suggest that this situation would not be repeated but, to allow for unforeseen circumstances, his calculations were based on a surplus of only £70,000. So buoyant did the colonial economy appear, that he estimated £224,039 could be contributed toward the railway over the next four years. This would reduce the capital to be borrowed to £800,000. The colony would thus have to pay an annual £35,000 toward the railway from general revenue until the

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[5]Draft on CO54/378/141 20 August 1863.

[6]Minute on CO54/367/37 13 February 1862.

line was operational. Until then, Ceylon could afford to contribute the difference between the annual surplus and the amount needed to pay interest on the railway capital. On Strachey's figures, this would be £35,000. Once the annual contribution toward railway costs became unnecessary, the whole of the £70,000 surplus could be devoted to military costs.

Not only did Strachey plan to increase the colony's share of total military costs, he also planned to reduce the size of the military budget by around £35,000 a year. These reductions, it was planned, would be centred mainly upon the medical establishment and the Royal Engineers. If this could be carried out in addition to an immediate increase of £35,000 then with the prospect of a further increase of this size once the railway was complete, the Imperial authorities could ultimately be relieved of any part of the burden of Ceylon's military expenditure. A different method of payment was also envisaged, Strachey suggesting the colonial government should pay the sum of £100,000 direct to the War Office. This would cover the £24,000 direct contribution as well as colonial pay and allowances and travelling and hired quarters allowances. These items usually amounted to £65,000 per annum so the additional amount which Strachey felt the colony could afford was included in this sum. This would not relieve the colony of its obligations completely since it would continue to pay for several peripheral items such as pensions and repairs to military buildings. Strachey suggested that the Crown should warn the Ceylon government that an additional contribution of between £10,000 and £35,000 would be appropriated over the next few years, depending on the state of the colonial finances.[7]

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[7] This was money which he calculated the completion of the railway would make available.

The scheme sketched out by Strachey had two other interesting aspects. First, it is clear he envisaged the establishment of a local commission to report on the nature and cost of the force needed in the island. In this way, the colony would be given a say in the details of the new arrangements although the local enquiry would be followed by a British Royal Commission which would settle the finer details. Since it seemed obvious that it would be some time before these arrangements could be made, he proposed that a directive be sent to Ceylon at once, securing an immediate increase in the military contribution as an interim measure.

Another most important feature of the plan was the suggestion that the Crown would relinquish its power to appropriate revenue at will once the whole question of military expenditure was put on a satisfactory footing. This was a reasoned, and reasonable, proposal, intended less as a bribe to win acceptance of the plan in the colony than as the logical execution of Grey's promise of 1848. The civil expenditure had been settled by the Report on the Fixed Establishment of 1858 and, if the military question could be equally satisfactorily concluded, Strachey saw no reason why the Crown should retain its power of arbitrary appropriation.

Strachey's proposals were officially adopted. He summarised the new policy when he wrote that he was 'aware of no reason why Ceylon, if its finances admit of it, should not pay the whole of the cost of the Military Establishment maintained for local purposes ... if framed on a reasonable scale.'[8] This policy implied, of course, that the

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[8]Minute on CO 54/367/37 13 February 1862.

troops which were stationed in Ceylon were there for purely local purposes, and this was not a view which had previously been widely held within the Colonial Office. Rogers, for example, had once regarded Trincomalee and Galle as Imperial stations, and both Fortescue and Newcastle had regarded the former, at least, as an Imperial station since it housed a Naval Dockyard.[9] Strachey's view prevailed, however, and dominated Colonial Office thinking in the following years. Why this was so is not clear. His predominance may have been a result of the hardening of attitude on Newcastle's part which one recent writer has detected,[10] or it may merely have been the result of increased specialisation.[11]

Many of the subsequent criticisms of Strachey's plan in Ceylon centred on the argument that the money appropriated to military expenditure was money which would otherwise have been devoted to public works. It is therefore interesting to note that, in his Memorandum on the subject, Strachey anticipated this point. He remarked upon the fact that twenty-one per cent of the total revenue of the island was spent on such works, a proportion which he compared unfavourably with the two per cent spent in India. It seems reasonable to infer that Strachey either wished to see, or at least was prepared to countenance, a reduction in the scale of public works, should such a measure prove necessary.

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[9] Ibid.

[10] C.C. Eldridge, 'The Fifth Duke of Newcastle', University of Nottingham PhD thesis, 1966.

[11] As with railway matters in the 1860s, Strachey came to deal so exclusively with military matters that his knowledge became much more extensive than that of any other member of the department.

Strachey's Memorandum received official approval too late in 1862 for the new scheme to be introduced in the following year. Newcastle decided that the outline of the plan should be forwarded to MacCarthy all the same. He also directed that in future communications with the colony upon the subject, the Colonial Office staff should show no signs of hesitancy or uncertainty. In private, however, he admitted that he was quite prepared to consider changes in the scheme once the wishes of the Legislative Council were made known.[12]

When the revenue statement for the first quarter of 1862 was received in the Colonial Office, it considerably strengthened Strachey's argument as it showed surplus revenue for the quarter of the year of no less than £45,000.[13] This indication of the increased prosperity of the island was reinforced by the Supply Ordinance for 1863 which was sent from the colony in February of that year.[14] This estimated the total surplus revenue for 1862 at around £100,000. Strachey noted that this ' is a most important corroboration of the conclusions previously arrived at as regards the ability of the colony to bear a largely increased rate of Military Contribution.'[15] Nor was any intimation of possible difficulties received from the Governor. On the contrary, MacCarthy wrote privately to Newcastle announcing that

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In this circumstance, it was probably difficult for his view to be seriously questioned.

[12] Minute on CO54/367/37 13 February 1862.

[13] Contained in CO54/370/176 4 September 1862.

[14] Minute on CO54/374/15 9 February 1863.

[15] Ibid.

he was quite confident of carrying the measure.[16] He laid emphasis, however, on his opinion that it would be politic to empower the Legislative Council to investigate military expenditure, at the same time as the increased amount was demanded.

In September 1863, the Colonial Office received a Memorial from the Planters' Association arguing against an increase in the island's military contribution.[17] This communication attracted less attention than might otherwise have been the case, since a despatch which it was felt would cover all the points raised was in the course of preparation. Unfortunately, this was to be the pattern regarding representations from the colony. So often did the arguments put forward appear to have been met or to be about to be dealt with in despatches, that little real attention was paid to them. Moreover, much which could have been said to mollify opinion in the island was not said because wrangles with the Treasury prolonged the finalisation of the scheme. In Ceylon, however, it appeared to Memorialists that their communications were ignored. This undoubtedly played a major part in inflaming the situation.

Due to the length of time which had been taken to officially approve Strachey's original memorandum, much of the data on which it was based had soon been superseded. Accordingly, in September 1863 he prepared a new draft.[18] Although the official returns for 1862 were still not available, he was able to utilise a private estimate provided

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[16] See Chapter on Governor and Military Expenditure, p. 194

[17] CO54/377/123 21 July 1863.

[18] Minute on CO54/378/141 20 August 1863.

by the Governor. This calculated that the surplus for the year would be around £132,000, and became the basis of the revised calculations.[19] MacCarthy had suggested that a considerable part of the surpluses should be contributed toward the capital required for the railway, so that the amount to be borrowed could be kept to a minimum. Since this naturally reduced the interest to be paid on the debt from general revenue, the overall ability to pay an increased military contribution was not affected.

The whole scheme had been due to come into operation on 1 April 1864, and it had been planned that the initial demand would be followed by the appointment of a local commission to review the military establishment. A revised demand, based upon its findings, would be issued later. Unfortunately, MacCarthy's illness made a change in the timetable unavoidable. Although the Governor at one stage announced his intention of remaining in the colony so that he could oversee the implementation of the scheme, the deteriorating state of his health rendered this impossible by November 1863. So the initial demand for an increased payment was made, but the proposed enquiry had to be postponed until such time as MacCarthy might be fit to resume his post.[20]

If the Governor's illness caused a delay, difficulties occurred at home also. Both the Treasury and the War Office were involved in the proposals and the agreement of both was needed before the plan could proceed. No reply was received from the War Office until

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[19] Ibid.

[20] The Colonial Office was unwilling to see supervisory duties of this nature devolve on the Acting Governor, Major-General O'Brien, because of his military position.

February 1864. But in that month officials there finally wrote expressing general agreement with the Colonial Office plan, whilst at the same time stressing their reluctance to consider a reduction in the actual number of troops stationed in the island, for reasons of morale.[21] Other minor conditions were also laid down, and the Secretary of State for War categorically insisted that the plan should not be implemented in the absence of the Governor. 'In the absence of Sir C. MacCarthy from Ceylon,' he wrote, 'it will be desirable to postpone the proposed enquiry into these subjects whether by means of a Commission or otherwise.'[22]

The Treasury, on the other hand, wished to see matters such as the Commissariat Establishment settled before the full local changes were brought fully into force.[23] Whilst raising no objection to the idea of a fixed contribution, their Lordships nevertheless warned against basing the provisional settlement on a prospective reduction of military expenditure. They doubted 'whether it would be right to hold out such an inducement to the Colony of Ceylon to agree to the proposed increased contribution before the result of the proposed enquiry into the Military Establishments and allowances were ascertained.'[24] However, by July 1864, the differences with the Treasury had been resolved, the Colonial Office staff having been able to use the rejection of the rent and transport allowances by the Legislative

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[21] CO54/397/War Office to Colonial Office, 23 February 1864.

[22] Ibid.

[23] CO54/397/Treasury to Colonial Office, 23 April 1864.

[24] CO54/397/Treasury to Colonial Office, 23 April 1864.

Council to convince the War Office of the need for speedy agreement to a general plan of settlement.[25]

A despatch to the Acting Governor on September 1864 emphasised that the guiding principle to be adopted was not that of the 1859 Committee but rather that put forward by the 1861 Select Committee.[26] This was that the burden of the payment should fall on either the Imperial or Colonial authorities according to whichever received the benefit of the forces maintained in the island. The 1861 Committee had also made it clear that the forces in Ceylon were to be regarded as stationed there for local purposes only and had stated 'there is no reason why Ceylon, if considerations of finance allow of it, should not defray the entire charge of its entire Military Force and military works, upon whatsoever scale it may be expedient for local reasons to maintain there.'[27] This despatch formalised the demands previously outlined by Strachey. An extra £300,000 was to be paid in 1864 (a reduced amount since the scheme would not take effect until April) and £35,000 in both 1865 and 1866. From 1867, when, it was thought, the railway would be operational, additional amounts of £10,000 at a time, would be called for, until the entire military burden was eventually borne by the colony. It was anticipated that an Enquiry would lead to reductions which could be effected before 1867. If, on the other hand, no reductions resulted from such an enquiry, then the amount to be demanded from the colony would be restricted to £135,000.

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25 CO 54/381/8 15 December 1863

26 Draft on CO54/378/141 20 August 1863.

27 BPP vol.13 1861 Report, paragraph 16.

The plan which came into operation was that which had been worked out by William Strachey. The only part which was omitted in 1864 was the provision for the simultaneous Commission of Enquiry in Ceylon. This was due solely to the unavoidable absence of the Governor. There is no doubt that the decision not to allow an Enquiry to take place during the administration of Major-General O'Brien was a wise one. It was this decision, however, which precipitated a wave of protests throughout the island. Without this provision, the demands of the Colonial Office appeared autocratic and arbitrary. Unfortunate timing and bad presentation were as much to blame for the troubles which ensued as the actual contents of the plan.

Chapter 14

THE LEGISLATIVE COUNCIL AND MILITARY EXPENDITURE

In 1858 Governor Ward appointed a commission to examine the scale of island allowances paid to officers serving in Ceylon. The significance of this event was not immediately apparent, but it was to have important repercussions in the following years. A noteworthy feature of the review was that it was undertaken by a Commission and not by a committee of the Legislative Council. Moreover, the recommendations of the Commission for the increase of existing allowances and for a separate allowance for house rent and travelling were then accepted on the sole authority of the Governor. Members of the Legislative Council were aggrieved, not only that they had been denied the opportunity to examine the question of allowances but also that the report had been accepted without reference to them.[1]

Ward was conscious of the criticisms levelled against him and accordingly referred to the findings of the Commission in his opening Address to the Council in 1859.[2] He attempted to defend his action by arguing that every Governor was forced to act independently on occasions and he asked that his decision be approved. The reply from the Council left him in no doubt as to the view taken of his proceedings. The Council announced that its members 'would take leave to remark, that the better course, in providing for an increase, would have been, to lay the matter before the Legislative Council, so as to afford them the opportunity of exercising that control over the proposed expenditure which is so peculiarly within their province.'[3]

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[1] CO54/345/7 & 8 22 July 1858.

[2] CO54/345/8 22 July 1858.

[3] Ibid.

The most significant feature of the Commission Report was the increase in allowances in respect of house rent and travel for officers whilst on duty, which were separately established. These were voted by the Council each year, thus providing it with the power, which it had not hitherto used, to voice an effective protest on the subject of military expenditure. This opportunity the Council immediately grasped.

In 1859, a sub-committee of the Council referred to the despatch from Earl Grey of 19 May 1848, stating that the power of the Legislative Council extended over all the public expenditure of the colony.[4] In the light of this verdict they argued that any revision of the existing rates ought to have been entrusted to a Committee composed of Council members and that any other method of dealing with the subject was objectionable in principle.[5] This sub-committee agreed to vote the travel and house rent allowances purely as a temporary measure and in the following year the allowances were again voted as an interim measure only, the Council stressing that 'the present vote is not to be taken as in any way sanctioning those allowances.'[6] The clear implication was that if such a review were not authorised, the allowances might meet a less than favourable reception the following year.

The attention which the military expenditure question attracted among members of the Council in this and successive years was only partly due to the increased interest in financial affairs brought

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[4]For details see CO54/346/90 8 November 1859.

[5]Ibid.

[6]CO57/27 28 December 1860.

about by the construction of the railway. It was also to some extent the result of constitutional frustration. The high regard in which Ward was held was the result of his achievements, but his methods were often open to question. The settlement of the Civil Establishment in 1858 brought Grey's statement regarding the relationship between the Council and the public expenditure of the colony to the fore once again. Grey had affirmed the desirability, in principle, of allowing full control over public expenditure to the Legislative Council once the Civil and Military Establishments of the colony were placed upon a permanent footing. The Report on the Fixed Establishment had achieved this with regard to the civil side of the administration, but the Government failed to indicate that the corollary, a review of the Military Establishment, was imminent. Hence the frustration which led to repeated Legislative Council requests for the matter to be put before it for consideration. On 19 December 1861, Thomas Rust gave notice of a resolution that an Address be sent to the Queen begging her to empower the Council to examine the question 'with an especial view to ascertain the proportion that ought to be contributed by the Colony as a fair and just compensation for the services rendered by the military and that such an amount ... may be made a fixed annual charge upon the revenues of the island.'[7] When this address was actually framed, the wording recalled that the revision of the island allowances had been carried out without reference to the Council, thus depriving it of the control which it had been promised over expenditure.[8] However, the Governor refused to budge.

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[7] Motion on 19 December 1861. CO57/29.

[8] 30 December 1861. CO57/29.

In late 1862 the Supply Bill for 1863 came before the Legislative Council for discussion. Due to the discontent felt about the Military Expenditure issue, a majority of the members of the sub-committee formed to report on the bill voted for the omission of the allowances for house rent and travel.[9] When this recommendation was placed before the full Council, it was defeated by nine votes to three. Nevertheless, the sub-committee resolution is indicative of the continuing irritation on the subject and this was increased by the apparent lack of response from the Colonial Office to the Council's previous Address. MacCarthy, who was aware that the whole subject was then under scrutiny in the Colonial Office, was able to mollify the Council on this particular occasion and on others during his Governorship. However, the problem of persuading the Legislative Council to pass military votes was a recurrent one and when the Supply Bill for 1864 arrived before the Council in December 1863, the conciliatory MacCarthy had left the island and the Officer Commanding the Troops, General O'Brien, had assumed the position of Acting Governor. Furthermore, news of the imposition of the additional £30,000 military contribution had also been made public in Ceylon and had not been well received. On this occasion, the additional allowances were doomed. So annoyed was Thompson, one of the unofficial members, that he took the step of moving that no vote for any military purpose whatsoever should be sanctioned until such time as the power to review military expenditure was expressly granted to the Co uncil. Despite general anger, this motion was felt to be too extreme and attracted no support. A more moderate suggestion came from

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[9] 13 December 1862. CO57/31.

Dias, the Sinhalese member, who proposed that the rent and travel allowances be omitted from the Bill as a protest against the lack of response from the Colonial Office to previous entreaties and as a warning against the imposition of a further annual contribution. Thus the Bill forwarded to London for Royal Assent contained no provision for the payment of these allowances.[10]

Early in December 1863, a proposal by George Wall to have a sub-committee appointed to consider military expenditure had been ruled out of order,[11] but his later proposal that another Address on the subject be sent to the Queen was accepted. This was yet another indication of the growing irritation felt by members of the Legislative Council. The Address was forwarded to England in January 1864 and complained, in particular, of the exaction of the further £30,000, which, it said, would cause money to be diverted from roads and other vital public works. The question of whether Trincomalee was a local or an Imperial base was also raised, since the latest Colonial Office communication had tacitly assumed that this base was for colonial use only, and this was a view which had little support within the colony.[12]

The Colonial Office could not accept the omission of the vote for rent and travel allowances without creating problems with the War Office. In August of the same year, a directive was therefore received in Ceylon ordering that the allowances omitted from the Supply Bill should be paid from the Colonial Treasury, with retrospective

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[10] Report of the Supply Bill for 1864. CO57/33.

[11] 9 December 1863. CO57/33.

[12] CO54/385/15 14 January 1864.

effect from the beginning of 1864.[13] No alternative course of action was open to the Colonial Office officials who wished to avoid hardship to military officers from the withdrawal of these allowances. At the same time, it was unfortunate that the protest of the Legislative Council should have been answered by the exercise of the very power against which they complained. Not only had the Council been coerced, but the Government seemed guilty of bad faith.

The comprehensive and long-awaited despatch on military expenditure finally arrived from the Colonial Office toward the end of the year.[14] Predictably, it was not well received when placed before the Legislative Council. When the day came for the Bill encompassing the proposals to be presented to the Council, the unofficial members absented themselves. As their ultimate act of protest, they simply refused to attend. It is probable that they hoped by their absence to paralyse proceedings in Council, but in this they miscalculated. Instead, legal experts declared the Council competent to carry on without them and new members were easily found when required in the following session. The effects of their action were non-existent. As one historian has put it: 'The significance of this bloc resignation lay in its dramatic rather than its far-reaching effects.'[15] The gesture was a futile one giving rise only to the founding of the Ceylon League, which in itself proved a largely ineffectual organisation.

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[13] O'Brien's despatch acknowledging the instruction and containing minutes by Executive Council members is at CO54/392/189 17 August 1864.

[14] Acknowledged in CO54/394/265 30 November 1864.

[15] S. Namasivayam, Legislature of Ceylon, p. 11

This summary of the stormy events of 1860 to 1865 is incomplete without some reference to the viewpoints of a number of the main participants. The years 1860-5 were stormy ones for the Legislative Council and with a summary of the main events in mind, a closer look may now be taken at the two elements which comprised the Legislative Council, the officials and the unofficials. Neither of these was a cohesive group, and one of the most significant factors to emerge from the events of these years is that there was no real divergence of opinion between them on the military question until mid-1864. Indeed, until that time, some of the official members of the Council played a leading role in the agitation on the subject. It was only when the emphasis moved from the purely military aspects to the issue of MacCarthy's Governorship as a whole, that a closing of ranks occurred.

The protest over island allowances, the general review and the alterations undertaken in Ward's Governorship were led not merely by a member of the official group on the Council, but by no less a figure than the Colonial Secretary, W.C. Gibson, himself. Nor did he act alone. On several occasions his views were supported by Braybrooke, the Government Agent for the Central Province, and by Vane, who was the Collector of Customs at Colombo. Furthermore, after the appointment of Richard Morgan as Queen's Advocate in 1863, an additional voice was heard in the Council chamber in support of Gibson's views.

The Address to the Queen, which was approved by the Council in December 1861 was drafted by a sub-committee among whose members were Lorenz, Rust, Gibson and Braybrooke.[16] It is certain that the views

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[16] CO57/29, 30 December 1861

which the Address expressed were ones in which the two officials concurred and it is likely that they were, in fact, the authors of the draft. It is interesting to note how wide a divergence existed between the view of the constitution expressed in this Address, with its emphasis on the Council's privileges as laid down by Grey, and that concurrently held by the staff of the Colonial Office.

The unofficial group on the Council played only a supporting role in the early skirmishes over allowances and expenditure. Gibson was the motivating force and this was recognised in the colony. In an editorial of 1863, The Observer referred to the debt which the colony owed him for his stance on this question. It commented: 'The great point for which our Legislative Council has fought since the new scale of Colonial Allowances was framed, is the right to control the expenditure in that direction according to our necessities; and again and again has our Colonial Secretary and his supporters tried to bring this matter to a crisis - by disallowing the allowances entirely from our Supply Bill.'[17]

The attempt to omit the votes for travel and rent allowances from the Supply Bill for 1863 originated in a resolution of the sub-committee which examined the Bill. The recommendation failed to win the approval of the Council as a whole, but the significant fact is that this sub-committee was composed of Gibson, Braybrooke and Pennefather on the official side, with Rust and Corbet representing the unofficials. It was unfortunate that when the motion was debated in full Council, both Rust and Corbet were absent, but their absence did not affect the

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[17] Observer, 30 April 1863.

fate of the recommendation. The three votes cast in favour of the omission were those of Gibson, Braybrooke and Dias. Hence two officials and one unofficial were defeated by eight officials and one unofficial. The one unofficial who voted against the omission was, rather oddly, George Wall, who was later to become such an active opponent of the administration over the military expenditure question.

Over the following year attitudes hardened. This was, at least partly, due to the lack of response, other than intimation of the increase in military contribution, from the Colonial Office to the Address of 1861. When the Supply Ordinance for 1864 came before the Council for consideration, an attempt was once again made to omit the rent and travel allowances. Although this time the vote in the subcommittee was indecisive, the omission was overwhelmingly approved by the Council as a whole. Only the Major-General, the Surveyor-General and the Auditor-General voted against it. Four officials of the colonial administration voted in favour of the measure, including two members of the Executive Council.

Gibson's motivation is not entirely clear and it seems that a number of factors may have conspired to influence his actions. It is likely that he and some of his colleagues were at least partly influenced by the poor relationship which had existed during MacCarthy's Governorship between the civil and military authorities on the island. Despite the protestations in Memorials that the Council had every desire to accord the military authorities what was due to them, the numerous disputes which had occurred between the civil and military authorities made it likely that some resentment was still felt by the civilian officials on the Council. It may also be that Gibson was a

man of as genuinely parsimonious a disposition as his critics suggested and that he genuinely resented the amounts of money spent upon the military in Ceylon. Another possible explanation is that the Colonial Secretary was merely trying to protect the position of the officials on the Council by asserting its rights to the control of expenditure along the lines drawn by Grey. In a Minute submitted to the Governor in August 1864, after the order of the Secretary of State to pay the omitted allowances had been received in the colony, Gibson related how the allowances in question had been voted by the Council since 1859 only on condition that an enquiry into military expenditure would be granted.[18] Rather than see the allowances paid by the arbitrary order of the Secretary of State, however, Gibson said that both he and Morgan were prepared to vote for them in Council if they were resubmitted. In a corresponding Minute, Richard Morgan stressed the fact that the allowances had been omitted 'simply because the Council felt dissatisfaction with the conduct of the local government in revising the rates independently of the Legislature to which it is believed the duty properly belonged.'[19] There is an indication that Morgan and Gibson were defending what they saw as the legitimate privileges of the Council. Since there was an official majority on the Council which they did not suggest should be altered, their struggle must be seen as an attempt to safeguard or to increase the power of the officials. This could only be at the expense of the Governor. The Governor against whom this was directed was not MacCarthy (for whom Gibson

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[18] CO54/392/189 17 August 1864.

[19] Ibid.

had a high regard), but Ward, who had caused offence by his sometimes cavalier treatment of the Council.

Until 1864, the protests in Council against aspects of military expenditure were essentially the work of the Colonial Secretary, supported chiefly by one or two other officials. The unofficials played only a secondary role at this time. They were in no sense any more united a group than the officials, for the six men who filled the positions came from a variety of backgrounds and were responsible to no-one. As individuals, their views frequently clashed. One of the fiercest debates which raged in the colony in the early 1860s concerned the position of the unofficial Justices of the Peace. Here C.A. Lorenz, the Burgher member, was as prominent in his support of the criticism levelled against some of these men, as George Wall, the mercantile member, was in their defence. Furthermore, W. Thompson's voting behaviour was sometimes eccentric, to say the least. When the proposal to exclude all votes for any military purpose whatsoever from the Supply Ordinance for 1864 was defeated, for example, Thompson refused to vote for the milder measure aimed at omitting only the rent and travel allowances.

The most dominant members of the unofficial group on the Council were George Wall and C.A. Lorenz. Wall was put forward by the Chamber of Commerce as their representative in May 1862 and remained on the Council until the resignation of the unofficials in 1864. He was severely critical of the level of the colony's military expenditure, particularly since he felt that much of the money spent related to expenses incurred wholly in the interests of the Imperial Government. His motives are difficult to assess; his vote against the omission of

the rent and travel allowances from the Supply Bill for 1863, for example, is hard to reconcile with some of his later actions, but may have been the result of fear of Colonial Office reprisals. In fact, at least one contemporary writer noticed that Wall's actions were far from consistent. During the 1860s, Wall often praised Ward as a liberal and model Governor. Yet Ferguson has shown that 'during his term in the Legislative Council up to 1858, Mr. Wall does not seem to have been quite so enthusiastic about the Governor, at any rate in his role of President of the Council. Distance in this, as in so many other cases, it may be, lent "enchantment to the view".'[20] Some of his criticisms seem to indicate a deep-seated hostility to the nature of the government in Ceylon. In his book, Ceylon: Her Present Condition, published in 1868, he wrote that 'the history of the past proves, beyond a doubt that Ceylon is not governed for its own people, or for its own interests; but by a policy for which both would, if necessary, be sacrificed'.[21] In particular he objected to the kind of government and financial policy carried out by MacCarthy. As a planter and merchant, he was especially concerned with the export duties. These, he felt, had been imposed for a particular purpose, but in the early 1860s were not used for this but were merely augmenting the surpluses. The duties, hoarded by the government along with other items of revenue, prompted the Imperial Government to issue demands for an increased military contribution. 'Every interest in the colony', he

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[20] Ferguson, vol. 1, p. 79

[21] Speculum, letter 12, p. 111

wrote after, 'was ruthlessly sacrificed for the purpose of accumulating a hoard of the public money.'[22]

Charles Ambrose Lorenz, who became co-owner and editor of The Examiner, was a Burgher and thus did not share Wall's over-riding concern for the welfare of the planting and mercantile communities. He viewed the difficulties over the military expenditure question purely as an example of the inadequacy of the constitution in operation in Ceylon. His opinion of the constitution was best expressed when the news arrived that the Secretary of State had ordered the payment of the omitted allowances. He wrote then that 'The proceeding will simply result in confirming the belief that after all the Legislative Council of Ceylon is a piece of skilful machinery, contrived and worked so as to delude the people into the belief that it has a motive of its own, - but virtually an inanimate and powerless thing, intended only to carry out the purposes of an individual, who, to all colonial interests, is an irresponsible and often unreasonable agent.'[23] Like Wall, Lorenz was critical of the government's actions in the early 1860s, but he tended to lay the blame at the door of the Secretary of State. He viewed MacCarthy a little more sympathetically, writing of him that, 'with but a little more freedom of action, he would have been a prosperous and a highly popular Governor'.[24] It seemed apparent to him that the remedy for the constitutional ills lay with the extension of the power of the Council. He expounded this view in The

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[22] Speculum, letter 13, p. 123.

[23] Examiner, 17 August 1864.

[24] Examiner, 14 September 1864.

Examiner, writing that the Council had 'for these many years struggled for a principle the concession of which it had a right to demand and in which we recognise our only safeguard. Give to the Legislative Council the control over all the public expenditure of the Colony, and the great Military problem will be easily solved.'[25] It is noticeable that there was no demand here for an increase in the numbers of the unofficials on the Council. At this time there was not sufficiently wide a divergence of view between the officials and the unofficials for this to be necessary. Lorenz could quite reasonably expect the policies which he supported to win the approval of at least some of the official members.

If the unofficials were far from being united on either a personal or political level, the military expenditure question provided them with one subject upon which some degree of unanimity was possible. In August 1864 they managed to insert a clause critical of MacCarthy's Governorship into the draft of the reply to the Governor's Opening Address. Unluckily, several official members of the Council were absent when this was debated and hence the clause was accepted. Thus the full Council put on record its desire to record dissatisfaction and discontent with the fact that revenues had been exacted for several years so far beyond the requirements of the public service and so much larger than could be devoted to public purposes. The members further complained that whilst the revenues had been so abundant, the efficiency of nearly every Public Department had been seriously impaired by the parsimonious policy of the Governor. This was a major

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[25] Examiner, 29 April 1863.

and highly significant departure from previous protests in the Legislative Council. Not only did it emanate entirely from the body of unofficials, but its content was not directly related to the military question, even though this was the inspiration behind it.[26]

This action can be explained only by the deep concern and frustration felt by the unofficials over the apparent Colonial Office disregard of their previous Memorials on military expenditure and the lack of reference to the subject in the Governor's Opening Address. The paragraph which was inserted was meant to be a fairly moderate one. Wall had originally proposed the exclusion of the section congratulating the Auditor-General on the state of the colonial finances. Five of the six unofficials voted for this motion; only five officials were present and the motion was lost only because the sixth unofficial, Thompson, unexpectedly cast his vote with the officials. A second resolution was then proposed by D'Alwis, claiming that the prosperity of the colony was the result of private labours and not due to any encouragement afforded by the colonial government. This motion met a similar fate. The third motion was also put forward by Wall. This was apparently successful only because of the remarks made by Layard in debate about the poor standard of engineering ability in the Public Works Department. Since Thompson's son was employed there, these comments offended him, and he therefore cast his vote in favour of the motion, thus tipping the scale. It seems likely that the attack on the government was a premeditated move on the part of the unofficials

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[26] CO54/392/200 30 August 1864. An interesting description of the proceedings is also given in James D'Alwis, Memoirs and Desultory Writings, pp. 95-106.

who were determined to express their discontent publicly. This would explain the bitter reference which D'Alwis made to Thompson's voting behaviour. 'We never once believed that Thompson would rat as he now did,' he wrote. 'His conduct was truly inexplicable.'[27]

Whatever justification existed for the criticism of MacCarthy's administration, it was something with which the official members of the Council could not be expected to sympathise. This marked the parting of the ways between the two groups on the Council. Though Gibson and his supporters were prepared to criticise the Imperial Government, they were not, and could not be expected to be, prepared to criticise the administration in which they served.

When the long-awaited despatch on military expenditure arrived in the colony, it not only failed to appease the unofficial members, but further incensed them. They tendered their resignation as a body, outlining their reasons in an Address.[28] This Address covered three main issues. First, it dealt with the privileges of the Legislative Council and took its stand on the principle laid down by Grey in 1848 that 'appropriation of Revenue in every case should without exception rest on a Legal enactment and in no case on a simple instruction of Secretary of State.'[29] This was a reference to the demand in the Colonial Office despatch for an interim increase in the military contribution and the warning that a further increase might be subsequently requested. The unofficials recognised that the principle expounded by

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[27] D'Alwis, pp. 96-7

[28] CO54/394/265 30 November 1864.

[29] CO54/394/265 30 November 1864.

Grey had not operated in practice, but they resented the Imperial Government's promise to allow its operation in future, once the whole question was settled to Imperial satisfaction: 'we might reasonably have expected,' the Address ran, 'it would at length have been graciously and unreservedly conceded, whereas it is offered only on conditions. We are in fact to purchase it, and the price demanded for its enjoyment in name, is no less than its renunciation in fact.'[30] Furthermore, the Address pointed out that, although an Enquiry was promised once the increased military demand had been met, it was not certain that it would be the Legislative Council which would possess the right of making this enquiry, since the Imperial Government had reserved the right to decide between the virtues of a Commission and a sub-committee of the Council. 'For sixteen years,' the unofficials protested, 'we have waited for the promised Despatch on the subject, and if this Bill were passed we know not how long we might have to wait for the promised enquiry.'[31]

The second point made by the Address was one which had been emphasised on many occasions by critics of the level of military expenditure, namely the willingness of the unofficials to contribute whatever was required toward military costs once an enquiry had decided what this amount should be. Their protest was in no way intended to slight the military authorities in the island, or at least so they said in the Address. Obviously, however, it was expected that any enquiry would find the amount which should be paid would be smaller than the existing payment. The third section of the Address covered the

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[30] Ibid.

[31] Ibid.

colony's financial position, particularly the surpluses, the existence of which was widely held to be the chief cause of the increased demands made by the Colonial Office. The responsibility for the demands from the Imperial Government was laid at the feet of the creator of the surplus, MacCarthy. The surpluses, it was claimed, 'have been produced at the expense of the efficiency of nearly all the Public Departments of the colony, by a culpable neglect of public works, and by a generally parsimonious policy, which has been universally stigmatised and has brought the Government to public censure.'[32]

The split between officials and unofficials was now complete. Gibson and Morgan expressed their views in an Executive Council Minute on the resignations.[33] This was basically a refutation of the charges of the unofficials about the state of the colony. After reiterating the view that Grey's words on the constitutional position of the Council had been a statement of intent only and not, as such, of any direct relevance to the point now at issue, the Minute went on to deal with the surpluses. These, it was claimed, existed only because of the unforeseen inability of the Public Works Department to spend the full amounts allocated to it, and to totally unexpected increases in the size of the revenue. Complaints regarding the state of some roads were either brushed off as exaggerations or attributed to the difficulties with which the government had to contend from the lack of suitably qualified staff. The Address by the unofficials required and brought forth a defence of the administration by the officials. Having merely

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[32] Ibid.

[33] Ibid.

supported the criticisms voiced by certain officials on military expenditure for several years, the unofficials at last had taken the initiative and attacked what they saw as the root cause of increased demands. In doing so, they alienated the officials and discovered the truth of their own impotence.

The Ceylon League

The immediate difficulty encountered by the unofficial members following their resignations from the Council, lay in finding a channel through which their views could be voiced. Having resigned from the Council they had lost their public platform; the Chamber of Commerce was moribund, the Planters' Association disinterested. So, the Ceylon League was formed to fill the gap. Its task, its inaugurators felt, was to strengthen the hand of the Governor against the Secretary of State, or as the Examiner described it,

> The objects of the League are not (as some suppose) to compel the Local Government to do what it has no power to do, viz., to reform its own Council and to resist the aggression of its own master, the Secretary of State; but (as the Resolutions amply declare) to secure, by respectful agitation here and in England, those constitutional rights the Colony was supposed to possess, and which it ought to possess, but which Mr. Cardwell has, for his own particular purposes, withheld from it.[34]

The Public Manifesto of the Ceylon League was issued on 29 May.[35] It was an attempt by the unofficials to widen the base of their support so as to increase their chances of influencing the government in Ceylon. It criticised the so-called arbitrary action of the Secretary of State in increasing the military contribution and made its rallying point the

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[34] Examiner, 10 June 1865.

[35] The Manifesto was published in the Observer on 29 May 1865.

call for agitation to secure the rights and privileges to which all British subjects were entitled. The Legislative Council was described as nothing more than the tool of the government and changes in its composition were said to be necessary to prevent the enactment of measures repugnant to the public at large. Precise details of what was envisaged were not forthcoming. The theme underlying the Manifesto was that the wrongs suffered had been caused and could only be righted by the Secretary of State. All agitation should therefore be directed toward him, and not the Governor, since the latter was a mere figurehead.

Thus, despite criticisms of MacCarthy's government, no basic antagonism to the colonial administration was implicit in the League. MacCarthy had had many critics but the style of his administration was now widely attributed to the orders of the Imperial Government. A.M. Ferguson summarised the position when he spoke at a meeting in June, saying that he 'neither considered the League as a body necessarily in opposition to Government, nor did he believe that the members of the Government looked on it as other than what it really was, an association to strengthen the hands of the local government against the arbitrary proceadings of the Secretary of State.'[36] George Wall, one of the founders of the League and probably the driving force behind it, pointed out that the Colonial Office would never have demanded economies at the beginning of MacCarthy's reign had it not possessed the authority to appropriate any consequent surpluses. Wall believed, that what was necessary was to have the case 'clearly exposed to every

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[36] Observer, 22 June 1865. Report of a meeting on 21 June.

member of Parliament, and whence once clearly apprehended it could not fail to secure effectual advocacy and to be carried in our favour.'[37]

The League provided a permanent platform for the expression of opinion amongst its supporters in much the same way as the Planters' Association performed the function for the planters. However, the cause for which the League was fighting was never closely identified. The reconstitution of the Legislative Council was certainly an aim but firm proposals were never advanced. It is possible that a simple guarantee that in future each official would be allowed to vote according to his conscience would have satisfied the League. Unfortunately, in the absence of detailed proposals, many came to fear that what the League really stood for was the increased power of the Burgher and native communities.

The chief problem with which the League was confronted was that its possible courses of action were very limited. Once meetings had been held and signatures gathered on petitions, the scope for activity narrowed considerably. Its main hope was mere survival, for the fact of endurance and the moderation of its proposals, might eventually win it the approval of the Colonial Office. Beyond that, all it could aspire to was to become accepted as a source of opinion in the same way as the Planters' Association had been. Cut off from the Legislative Council on principle, it had no means of influencing the local government other than by meetings. Despite Wall's journey to London to try to win support there, no line of communication was ever established

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[37] Observer, 22 June 1865.

between the League and the Colonial Office or between the League and Parliament.[38]

In Ceylon, an attempt was made to build up a large organisation with a permanent structure. A central committee was formed and attempts were made to organise local committees in outlying areas. The membership increased throughout 1865 until it reached three hundred and eighty-eight in September.[39] Despite this, the League was not destined to enjoy much success. Its fundamental failing was that it protested against something which had happened and which could not be undone. Agitation on the military expenditure question died down as it was bound to do. Nor could the League hope to enjoy much success without the backing of the Planters' Association and the rest of the European community. Although several prominent planters, including many well-known figures in the Planters' Association, supported the League, the leaders of the Association remained unmoved. This was a vital factor, because it meant that when the government tried to fill the vacancies on the Legislative Council caused by the resignations of the unofficials, there were men of substance available who were willing to serve. The administrative system could therefore function quite normally, and the League was effectively by-passed. This, coupled with the lack of unity among its leading members, and the fact that its central cause, the military expenditure question, was in the process of settlement, condemnde the League to ineffectiveness and ultimately, to oblivion.

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[38] A book was published in London in an attempt to win support there. See James Mellor, The Case for Ceylon.

[39] This was a larger membership than the Planters' Association had ever possessed.

Chapter 15

PLANTERS AND MILITARY EXPENDITURE

In May 1865 G.D.B. Harrison, one of the leading figures in the Planters' Association, addressed a committee meeting at which the main point under discussion was the newly-submitted Manifesto of the Ceylon League.[1] In speaking forcibly against giving official Association approval to this document, Harrison referred to the fact that the Association had opposed the government for the past four years with unsatisfactory results. The greatest years of the Association, he declared, had been those in which they had cooperated with the local government. The influence of the planters for good, he said, 'would be far greater if acting with than if against the ruler.'[2]

Why Harrison took this view is not immediately obvious. Firm evidence of this opposition to the government during these years is hard to find. However, it is not difficult to detect the unsympathetic atmosphere which existed between them. The leading planters knew MacCarthy and what they might expect of him when he became Governor. A man of learning, charm and tact he might be, but he was also something of an intellectual snob and he tended to look down upon those engaged in the planting industry.[3] Never brusque or rude to deputations, the apparently favourable receptions which he accorded to them often made

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[1] Published in the Observer, 29 May 1865.

[2] Report of committee meeting, 24 May 1865 in the PA Proceedings, 1865.

[3] MacCarthy's lack of sympathy for the planting interest was evidenced by his letter to Monckton-Milnes on 29 May 1862 in which he reported: 'I have been on the verge of a battle with my "Planters" here, as in India, the most unreasonable and unmanageable part of the population, expecting everything and everybody to yield to them, and manifesting the most intense disregard of all interests but their own.' Letter 284.

the ultimate rejection of their demands the harder to bear. One contemporary writer has written of the 'considerable gap between the sympathies of the planter, and the ideas of the local administrators' which existed during his years in Ceylon; and this statement refers particularly to this period.[4] The views of the administration, this writer felt, were often quite out of keeping with planting ways and 'The planting community looked upon the Government as an unsympathetic and ignorant, dogmatic master, incapable alike of understanding the planting interests of the people, with whom the planters were in constant touch.'[5]

MacCarthy did not see, and never had seen, the role of the government as being one of support for the plantation economy. Soon after his arrival in the colony, he wrote home that cultivation was reviving after the crash of 1848 'wherever it should legitimately revive, that is where it is legitimately carried on, upon unborrowed capital and with economy and personal industry.'[6] With calls to the government for financial aid he had little sympathy. 'Private enterprise,' he wrote, 'however laudable a thing in itself, should operate with its own capital, and not with that of the public, and I need hardly remark that any appropriation of the general Revenue to such private enterprize, would be simply a misappropriation of public funds.'[7] His attitude

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[4] F. Lewis, Sixty-Four Years in Ceylon, p. 6.

[5] Lewis, p. 7

[6] Private letter from MacCarthy to Grey, 14 August 1849.

[7] CO54/377/123 21 July 1863.

was well known to the planters and was hardly calculated to arouse any hopes in that quarter.[8]

From 1863 onwards, the Governor and the Planters' Association were involved in a serious disagreement as to whether or not reductions had been made in the amounts of money devoted to public works. On opening the Legislative Council in September 1863, MacCarthy made reference to the fact that the surplus of revenue over expenditure in the previous year had been due 'mainly to the increased productiveness of the Revenue, not to reduction of Expenditure.'[9] This statement met with a hostile reception from the Planters' Association, who felt that the surplus had arisen mainly through the denial of facilities to them. A letter to the Duke of Newcastle was accordingly composed.[10] This requested that his instruction to MacCarthy to husband resources and postpone major items of expenditure until the completion of the railway, should be rescinded. The roads in Central Province, the planters claimed, had been allowed to deteriorate very badly in recent years and would now require major expenditure on repairs in the near future. As the Memorial remarked, 'in a tropical climate to allow works of public utility to fall into disrepair, is a source of ruinous outlay afterwards.'[11]

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[8] So suspicious were some of the planters of MacCarthy's motives that when, in 1861, he did offer to make the government steamer, the 'Pearl' available to bring immigrants over from India, A.F. Harper announced that this was only a 'blind by our present ruler to cause delay in the providing of steamers with a view, ultimately, of getting rid of the promise altogether.' PA Proceedings, 1861, 20 April 1861.

[9] Opening Address by the Governor, CO57/33, 12 August 1863

[10] This was forwarded in CO54/380/172 20 September 1863.

[11] Ibid.

The controversy over the amounts devoted to public works in MacCarthy's administration is well known, and figures can be produced in support of both sides of the argument. What seems to be clear is that, irrespective of the amounts voted during this time, considerably less was actually spent than under Ward. Unbiased accounts of the condition of the roads are hard to find. Harvey Tower, a British traveller who visited the island in 1861, found the roads on which he travelled 'excellent',[12] and he was 'quite surprised at the goodness of what they call in Ceylon a bad road.'[13] Later, in December of that year, he made the journey from Kandy to Colombo and again described the 'excellent road, through coffee plantations.'[14] Whilst he was certainly an impartial witness, his evidence is not conclusive since he was writing at a very early stage in MacCarthy's Governorship, and probably did not travel far from the main routes of communication. L.F. Liesching, in his book on Ceylon, agreed that 'the excellence of the roads throughout the Island is always a subject of remark with strangers,'[15] but he again was writing of the very early 1860s. Nor was he impartial, being a servant of the colonial administration.

At the same time, it is clear that MacCarthy was not an enthusiastic supporter of lavish expenditure on roads. During his period as Colonial Secretary, he wrote to Richard Morgan in a far from favourable tone about contemporary expenditure on roads: 'The alarming thing to

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[12] Diary of Harvey Tower, 26 September 1861.

[13] Ibid., 27 September 1861.

[14] Ibid., 23 December 1861.

[15] L.F. Liesching, Brief Account of Ceylon, p. 8

me is the quantity of money thrown away on roads, on which there is not, and never will be, any remunerative traffic and the general tendency in all public departments, not sufficiently checked, to look on mere expenditure as a bonum per se without reference to its results!..[16] The justification for the complaints which were made cannot be investigated now, but when Major-General O'Brien assumed the post of Acting Governor, he threw his weight behind criticisms of the condition of public works in the country, and the roads in particular. He, again, was a far from impartial judge, however, having suffered from the anti-military bias of MacCarthy's administration. Perhaps, therefore, too much weight should not be attached to his views. Nor can it be denied that the planters were very hard to please since they considered that they had first call on the attentions of the government. No evidence exists to indicate that the planting industry was seriously hampered in the early 1860s by poor communications. It is hard, in the circumstances, to resist the conclusion that many of the complaints made by the planters stemmed from nothing more than a desire to appropriate the surpluses for their own purposes. Many believed that the increased demands from the Colonial Office were caused solely by the existence of these surpluses. It therefore seemed entirely reasonable to assume that, if this money could be shown to be needed in the colony, or better, that the colony was in fact languishing without it, these demands might be resisted. How the money was spent in the colony was almost irrelevent so long as it was actually put to use in Ceylon and did not accrue to the Imperial Treasury. Thus a man such as Alexander

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[16] Quoted in W. Digby, Life of Sir Richard Morgan, vol. 1, p. 242.

Brown, who had once been an opponent of the contributions made toward the reduction of the railway debt, came to accept that using the surplus funds in this way was far preferable to seeing the money appropriated by the Imperial authorities.[17]

Whatever the rights and wrongs of arguments concerning the efficiency or otherwise of the Public Works Department, the significance of the dispute lies rather in the atmosphere which was created between the Governor and the Planters' Association. Clearly their relationship was poor during this period. It was made worse by the dispute which arose from charges levelled at unofficial Justices of the Peace by the Deputy Queen's Advocate, Thomas Berwick. The charges became the basis of a circular, sent round by the Queen's Advocate, Richard Morgan, in April 1863. This directed that the rural police should no longer be at the disposal of Justices of the Peace for the execution of warrants of arrest.[18] This decision had been taken in response to information collated by Berwick, which led him to the conclusion that the gaols of the Central Province were 'crammed' with men, women and children who had been arrested on the charge of deserting from estates. He sought to explain this apparently alarming fact by arguing that this one class of defaulter occupied the attention of the unofficial Justices to the exclusion of all other criminals, that is, that they abused their official positions to further the interests of their own particular class.

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[17] At a meeting on 10 September 1864, Brown put forward a resolution suggesting that the government be asked to vote away a surplus of £214,000 of which he proposed £150,000 should go toward the liquidation of the railway debt. Observer, 12 September 1864.

[18] The circular was issued on 27 March 1863 and published in the Examiner on 29 April 1863.

Once the circular had been published, the Planters' Association immediately demanded details of the evidence upon which the charges were based. At first there was no response from the government and on 6 July the Association was merely told by the Colonial Secretary that the Queen's Advocate had received the information from his officials.[19] The indignation of the Planters' Association knew no bounds. It reiterated demands for an investigation into the truth of the accusation and harshly criticised the government's actions in issuing the circular on apparently slender grounds. 'Strange, however, as was a course pursued in issuing a circular,' a letter to the Colonial Secretary ran, 'it is perhaps stranger still that no-one amongst those responsible for this measure should have thought it necessary first to verify Mr. Berwick's unqualified assertion by reference to facts.'[20]

The Planters' Association based its defence of the unofficial Justices on a strictly literal interpretation of Berwick's statements. It questioned the definition of a gaol and strongly disputed his reference to the 'hundreds' crammed into them. In fact, the real significance of Berwick's charges lay not in his estimate of the numbers arrested on desertion charges but in his assertion that no real action was taken by the unofficial Justices against any other form of crime. This was a point which Berwick made in a letter to Morgan in August 1863. He related how the fairly extensive powers accorded the un-

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[19] The Planters' Association made its request on 6 June and again on 3 July. On 6 July the Colonial Secretary replied forwarding the letter from the Queen's Advocate. See Observer, 30 July 1863.

[20] Letter of 27 July from the Planters' Association to the Colonial Secretary, published in the Observer, 30 July 1863.

official Justices had been used only against those charged with an offence 'eminently one of particular class interest, not concerning the public peace, and fully within the jurisdiction of minor Courts.'[21] He thus charged the Planters' Association with defending the practice 'of perverting warrants of arrest from their legitimate use as means for the judicial punishment of crime, into instruments for obtaining Estate labour.'[22]

The implications of the dispute were clear. The withdrawal of the use of the police for the execution of warrants was realised by many planters to be the overt act of hostility toward the planting community which it undoubtedly was. It was an indication that the government felt that the planting Justices could no longer be trusted to act fairly; this was not only a slight to the planters but an inconvenience as well. In September 1863, a resolution at a Planters' Association meeting requested that an ordinance be framed so that planters could be protected against 'crimping'.[23] It was envisaged by the planters that such an ordinance would also include provision for the police to be at the disposal of Justices for the execution of warrants against absconders. It was also hoped that Justices would be permitted to return runaways to their former employers if both parties agreed. This was already a widespread practice, albeit one of doubtful legality.

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[21] Berwick to Morgan, 27 July 1863, published in the Observer, 30 May 1864.

[22] Ibid.

[23] Resolution 9 of the meeting of 5 September 1863 reported in the Observer, 10 September 1863. Crimping was, effectively, stealing coolies en route for an estate from which they had received a payment in advance, by luring them to a different estate.

Although an ordinance was actually framed by the government on this question, it failed to satisfy the Planters' Association since it contained no provision for the execution of processes against runaways. The Association notified the government of its dissatisfaction in February 1864,[24] and at the same time the Planters' Association commissioned W. Cayley to draft an ordinance, for submission to the government, which would encompass all the improvements which that body wished to see, as well as consolidating all the existing legislation. This was an admission that what the planters wanted was unlikely to be forthcoming from the government.

Despite agitation, the government remained quite adamant that the police force should not be used for the execution of the warrants. Berwick defended this line of action to Morgan by pointing out how seriously this work had hampered the regular duties of the police force in the past.[25] Nor was there any question of peons being paid by the government to execute warrants unless a scheme could be organised whereby the districts could be assessed to provide the necessary finance. The planters' problems could certainly be solved in this way but they would have to bear the cost themselves. This was not at all what the Planters' Association wanted. It was clear that the Association felt that, as the government had accepted responsibility for ensuring that warrants were executed in the past, there was no reason why it should not continue to do so.

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[24] Resolution 4, Annual General Meeting of the Planters' Association, 17 February 1864, reported in the Observer, 18 February 1864.

[25] Letter from Berwick to Morgan, published in the Observer, 30 May 1864.

It is perhaps unfortunate that the main participants in the dispute in opposition to the Planters' Association were Morgan and Berwick, both prominent members of the Burgher community. They were supported by the Burgher owned and edited Examiner.[26] The European owned Ceylon Times and Observer predictably showed themselves much more sympathetic to the planting case. In this way, the affair could only increase the divisions which already existed between the Burgher and planting classes.

Unfortunately, there was yet another aspect of the labour laws question upon which the government proved, in planting eyes, most uncooperative. This concerned the employment status of the coolie, that is, whether he was employed as a daily or as a monthly worker. Considerable dissatisfaction existed with the ordinance of 1841, the Master and Servants Law, which covered the question. The Planters' Association requested an investigation into its workings.[27] The main concession which the planters sought was to have the coolie regarded as a monthly and not a daily worker in the future. This, revealingly, was not to extend to the field of pay, where the coolie would be paid, as in the past, on a daily basis. What was hoped for from the proposed change was that the coolie would become legally obliged to give a month's notice of his intention to leave an estate, whereas the law, as established by ordinance 5 of 1841, required only a week's notice. The

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[26] The Examiner stated categorically that 'no reasonable man who knows anything of the Planting Districts, can doubt the substantial truth of Mr. Berwick's statements.' It went on to ask, 'Whence this tender regard for the Planter? Is it because he is a superior being . . . dearer to us than the liberty and comfort of a few thousand coolies.' 1 August 1863.

[27] Resolution 8, General Meeting, 25 May 1863. PA Proceedings, 1863.

existing law was much resented by the planters who considered it unjust that they were required to give a month's notice to their coolies. The discontent was greatly increased when the Queen's Advocate announced that he considered a coolie who did not work out the 'advance'[28] which he had received from an employer, was not guilty of theft. To make matters worse, the Colonial Secretary himself announced that he did not consider 'advances' to be legally binding on the coolies.[29] These two opinions caused grave concern to the planters, striking, as they did, at their most vulnerable point, their hold over their labour force.

The negotiations between the Association and the government over the proposed new labour laws dragged on interminably, souring relations between them for years. This alone would explain why the planters felt themselves to be under attack from the government in the early 1860s. It is clear also, from a study of the question of the unofficial Justices and the controversy over the surpluses, that there was a basic lack of symapthy between the two bodies at the time. This provides the setting for an examination of the attitude adopted by the Planters' Association to the military expenditure question, and helps, perhaps, to explain why the Association's actions on that subject were so limited.

It has been suggested that the Planters' Association felt itself alienated from the government in the early 1860s and had some reason

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[28] 'Advances were paid to the coolies before they commenced work, and were nothing more than payment in advance.

[29] Both these pronouncements were referred to in Brown's speech at the Planters' Association meeting of 5 September 1863, reported in the Observer, 10 September 1863.

to feel that the interests of the planters were regarded with something less than concern by the local administration. This, and the conservative attitude of the new leaders of the Association, may account for the apparent lack of response to the military expenditure question. Although the Association expressed its views quite loudly on topics of immediate interest to the planting community, its voice on subjects of wider interest was strangely muted. Partly, this stemmed from the belief that the Association should not publicly involve itself in matters which were not of obvious concern to its members, that is, the predominance of the views of Bird, Leake and Harrison over those of the men of wider outlook, such as Alexander Brown. It was also partly the result of lack of success in the representations made on those subjects which were of direct concern to the planters.

The subject of military expenditure was not ignored completely however. The statement by Fortescue in the Commons in March 1863 that Ceylon should be called upon to pay an increased proportion of her military costs, caused great alarm among the planters, and an Association meeting was held at which the matter was discussed.[30] A resolution was passed requesting that no heavier burden should be imposed on the Colony on account of military expenditure until the existing military expenditure had been enquired into, and a decision reached as to what proportion of the force now maintained in Ceylon was necessary

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[30]The General Meeting was held on 25 May 1863 and details are available in the PA Proceedings for 1863. It is interesting to note that at this meeting Wall put forward a resolution that 'The very serious alternative of annexation to India was now held over their heads, and he doubted whether it would not be expedient that we should quietly pay what was asked.' In the light of Wall's later conduct, this was a surprising idea.

for the purposes of internal security. A Memorial was drawn up subsequently which provides a good account of the views of the Association on the question.[31]

The Memorial began by stating that any increased demands made to Ceylon would be both unjust and impolitic. It then attempted to answer the arguments advanced by those in England who wished to see the colony pay an increased share of the burden. The Imperial viewpoint was that the forces stationed in the island were there for the purpose of maintaining internal law and order, but the Memorial emphasised that the colony was distinguished both by the orderly behaviour and the loyalty of its inhabitants and that such a force was not needed for the preservation of local peace. The force stationed in Ceylon was nearly as large as that maintained in the whole of Canada, and the obvious conclusion seemed to be that the troops were not there for internal security. The Memorialists were convinced that both Galle and Trincomalee were Imperial stations. Until fairly recently, they felt, this fact had been accepted in London also. It therefore seemed only just that if Ceylon were to be asked to pay an increased part, or even the whole of her military expenditure, an attempt should be made to ascertain what proportion of the total expenditure related to colonial and what to Imperial defence.

It was often claimed in London that the colonial Treasury did not pay its fair share of the costs; the Memorial continued by examining this argument. The Report of the 1861 Commons Select Committee on Military Expenditure was quoted, especially the reference to the fact

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[31] CO54/377/123 21 July 1863.

that Ceylon paid about £25,000 per annum more than any other colony toward her military expenditure, despite being by no means the largest or wealthiest of colonies. 'Not only does Ceylon contribute absolutely more than her more wealthy fellows' the Memorial continued, 'but the proportion which her contribution bears to the Imperial Expenditure is greater than the same proportion in any other Colony, save Victoria alone.'[32] In these circumstances, it seemed clear to the Memorialists that a request for further payment from Ceylon would be grossly inequitable if made purely on the grounds that the colony could afford to pay it, for 'it can hardly be argued, that an over flowing Revenue, however great might be its wealth, would afford a just ground for increasing the already disproportionate burden.'[33]

There was no question of leaving the argument here, however. Having proved, to their own satisfaction, that no further increase could justly be demanded, even if Ceylon's Exchequer were over-flowing, the Memorialists then sought to disprove the existence of any such surplus. This was really the crux of their argument, and, they judged, was more likely to appeal to the Colonial Office than any simple argument of equity. The colony was engaged, it was pointed out, in the construction of a railway for which a massive debt had been incurred. The main argument, however, was that the money lying in the colonial Treasury was the result 'not of the elasticity of the Revenue or the prosperity of the country, but of a strict economy in expenditure on the part of the Government, owing to which private enterprize has already

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[32] CO54/377/123 21 July 1863.

[33] Ibid.

suffered considerable loss.'[34] In other words, the money was needed in the colony and any further appropriation by the Imperial authorities would cripple the colony.

This was the case advanced by the Planters' Association. It is noticeable that no attention was given to the constitutional aspect, and the lack of Legislative Council control over the military expenditure was not mentioned in the Memorial. Instead, the argument concentrated on the fact that the colony could not afford to pay more toward military costs because of the existence of severe wants within the island. It is scarcely surprising that the succeeding months saw a proliferation of complaints about the state of roads and other public works.

Unfortunately, as the subject was under examination in the Colonial Office, no answer was sent to this Memorial. Instead, it was hoped that the main despatch to be sent on the question would answer all the various objections. The absence of any response from London exacerbated feelings and the Planters' Association leadership decided to call for a public meeting to be held on the subject. This is indicative of both the concern felt by individual planters on the subject and the reluctance of the leadership to become too closely involved in the issue. A public meeting therefore provided the best solution. The Association actually took no further direct action on the matter whatsoever, although several of its members, as individuals, continued to stress the need to expend the surplus funds. Leake, himself, made an appeal to the government at the meeting in November 1863,[35] asking

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[34] CO54/377/123 21 July 1863.

[35] Report of meeting at Kandy in Observer, 26 November 1863.

that the balances be voted away by aiding immigration, roads and the railway. He would, in fact, have been prepared to see the money devoted to almost any project rather than see it go to the Imperial authorities. Further than these requests to invest more heavily in enterprises which would assist the plantation economy, the Association was not prepared to go. Despite its criticisms of the government, it was unwilling to consider any action which might seem to bring it into outright opposition to the administration, when its real desire was to work with the Governor as his counsellor behind the scenes.

At no time was the innate conservatism of the Planters' Association leadership better illustrated than after the resignation of the unofficials from the Legislative Council and the formation of the Ceylon League. Bird wrote to the Observer in August 1865, totally denying the justice of the case put forward by the League.[36] In Bird's view, the Council had no rights or privileges other than those which were conceded to it, and it had no claim to be regarded as a representative body. His opinion was that Grey in his famous despatches, had merely sketched out a desirable plan, but had not made any binding promise. Anyway, Grey's aims would be achieved by the Colonial Office proposals which were outlined in Cardwell's despatch, so no complaints about the constitutional situation seemed justified. The dilemma of men such as Bird is clearly seen in this letter; he was no less opposed to an increased military contribution than was anyone else, and he agreed that demands for the increased amount were obnoxious. However, he regarded the situation as a purely temporary one, since it was known that an enquiry

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[36] Observer, 14 August 1865.

was to follow. His real grievance was not based on constitutional grounds, but on the belief that the demand for an increased contribution had been made solely because of the existence of surpluses. He disliked and feared the fact that much of the outright opposition to the increased military payment appeared to be inexorably linked with demands for increased powers to the Legislative Council, and perhaps even for the concession of an unofficial majority. This seemed to him to be a fearful prospect. 'Better have no Legislative Council,' he wrote, 'than one with such a majority - composed of such men as we are likely to get - difficult enough as it is to get men of influence and respect.'[37]

Many of Bird's arguments were repeated by W. Martin Leake, in response to a request for his signature on a petition supporting the Ceylon League. The fear of even a small step on the road to representative government was to the fore in his reply.[38] The general public of Ceylon, he felt, was clearly unfit for anything approaching a representative system, and although it might appear that the European population had much to gain from constitutional change, he believed that 'even to these the gain of greater power would be more than compensated by the weakening of the Governor's position.'[39] The situation which he wished to avoid was one where the spending power of an active Governor was restricted, for he felt that a generous Governor was the greatest good that could befall the island and the best check

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[37] Observer, 14 August 1865.

[38] Leake's letter was published in the Observer, 18 September 1865.

[39] Ibid.

on the arbitrary power of the Secretary of State. This argument was greatly reinforced by the arrival in the colony of Sir Hercules Robinson,[40] who had won fame in Hong Kong for his stand against the Home Government over the question of military expenditure and who gave every sign of being an extremely satisfactory Governor.

How far the views of the leadership of the Planters' Association were actually representative of its members, is, of course, a matter for speculation. The number of those who attended committee and even general meetings has been shown to have been small. Nevertheless, it seems clear that a substantial amount of opposition did exist within the Association to the leadership of Messrs Bird, Leake and Harrison. The Association had been divided over Wall's resignation from the Legislative Council in 1859, when some members had condemned the Council as a farce. Division had also occurred over moves to make property the basis of membership of the body. It seems highly likely that those who opposed proposals to limit membership were the people who wished to see the Association take a more active political role. The split within the Association was apparent when it was asked to approve the Manifesto of the Ceylon League. The view of the leaders was that the planters should not be concerned with such matters but several well-known planters disagreed, and instead supported Brown's contention that

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[40] Born in 1824, Robinson made his first career in the army but he retired from this in 1846 and accepted a colonial appointment in the West Indies. He was appointed governor of Hong Kong in 1859 and of Ceylon in 1865, going on to become governor of New South Wales in 1872, of New Zealand in 1878 and High Commissioner of South Africa in 1880. He was created Baron Rosmead in 1896 and died in 1897.

the Association should not stand aloof.[41] W.A. Rose, W.A. Swan, P.D. Millie, W.F. Lindesay, J. Steele, and J.F. Mcleod were all committee members who became involved in the work of the League, organising district committees in their area as they had once done for the Planters' Association. Many other well-known names threw their weight behind the League - Hay, Van Langenburg and Ferdinands all saw the League as a body which could achieve all that the Planters' Association had ever tried to do and more besides. Hay argued very forcibly at a meeting in Kandy that the Association had always been a political body and therefore had no reason to recoil at the idea of supporting the League. 'Has it not,' he asked with reference to the Association, 'on every occasion and wherever opportunity offered, expressed its views upon the conduct of the Government in general and its members in particular? ... Have we not spoken frequently in rather unmeasurable language of the acts of a most inefficient Governor.'[42] This was only partly the truth, however, for though the Association had criticised the government during MacCarthy's administration, it had never seriously contemplated any form of government other than the one in operation.

The leadership of the Planters' Association found itself in a most difficult position over the military expenditure question. The leaders were convinced that their strength lay in the unofficial influence which they could bring to bear on the Governor. They were thus

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[41] Brown moved a resolution supporting the League at a Planters' Association meeting in July 1865. He argued that the League 'professes to do the same work as the Association has been doing for many years, but it will do it more efficiently because it will be more powerful and more wealthy.' Observer, 24 July 1865.

[42] Report in PA Proceedings, 1865 of meeting on 19 July.

unwilling to bring about any reduction in the power of the Governor. Nor did they see how this could be done without increasing the power of the Burgher community or some other sections of the indigenous population, which would have the effect of lessening the influence of the planting interest. At the same time, they were more critical of MacCarthy than anyone else. They sensed that his administration was hostile to planters as a class and they resented the fact that they did not wield the influence with him for which they hoped. Furthermore, his policies had led to the accumulation of surpluses which they felt might have been better spent in the interests of the planting community. Instead, the surplus funds had occasioned the demands of the Home Government. The departure of MacCarthy and his subsequent death, meant that his administration could be attacked with impunity. However, the arrival of Robinson, the new Governor in the colony, raised hopes that a new era was imminent and guaranteed that the weight of the Association leadership would be thrown against the claims of the Ceylon League when the need arose.

Conclusion

An attempt has been made to examine two of the most controversial subjects which arose in Ceylon during the years 1855-65, from the viewpoint of four of the agencies involved. The choice of these agencies is a somewhat subjective one. It could be argued that the Chamber of Commerce had played an important role in bringing steam communications to Ceylon and thus deserves consideration. Whilst its part in the railway question is undeniable, it is clear that on the military expenditure issue the Chamber was largely silent. Much attention has also been devoted to the Planters' Association and although it is not claimed that this Association was in any way representative of planting views as a whole - indeed quite the reverse has been suggested - the attention paid to the views of the Association is a reflection of the disproportionate importance which it commanded at the time. Whilst it is not claimed that an examination of events through studies of the actions of the Governor, the Colonial Office, the Legislative Council and the Planters' Association provides a complete picture, it is contended that such studies contribute at least a very substantial part of the story.

As was intimated earlier, the character of the Governor could play a vital role in determining how the system functioned. Ward was an independently-minded Governor. He had a successful parliamentary career behind him and possessed a name well known outside colonial service circles. He therefore had the stature to risk incurring the displeasure of the Colonial Office. This he did, for example, in defending Doyne and criticising Strachey in 1859. Charles MacCarthy was a very different kind of Governor. A man whose entire livelihood depen-

ded on the good office of the Secretary of State, he was the complete servant of the Colonial Office. At no time was this more apparent than in his warm reception of Newcastle's plan for an increased military contribution. Again, whilst Ward was an impetuous and impulsive man, lavish in both praise and criticism, MacCarthy was more prudent and moderate in his opinions. There seems little doubt that Ward wished to make a name for himself as the instigator of the railway plan and that he rushed enthusiastically into the Company scheme with all too little thought for the consequences or heed for the opposition, Hence it was left to MacCarthy, who had opposed the Company scheme from the first, to effect a solution and see the railway plan come to fruition. Moreover, it seems clear that despite the popularity of many of Ward's actions, his somewhat arbitrary methods over military allowances for example, caused irritations with which his successor had to deal.

The merits of the two Governorships cannot, of course, be judged merely on the evidence presented by a study of only two aspects of their respective administrations. It is worth noting, however, that contemporaries in the Colonial Office were as lavish in their praise of MacCarthy as colonists were generally loud in their criticisms. Clearly, financial policy lay at the root of the problem and MacCarthy was faced with having to settle both the railway and military expenditure questions during his tenure of office. There is much to indicate that a reappraisal of MacCarthy's administration is necessary and a wealth of material exists on MacCarthy's life and his long period of office in Ceylon, suggesting that much could be learnt of the colonial administration from a study of his career.

Neither of these Governors was a particularly outstanding intermediary between the colony and the Colonial Office. In Ward's case, his own views and ambitions were too strong to allow him to present the opinions made known to him in Ceylon in a totally unbiased light. MacCarthy, on the contrary, lacked the independence of mind to do this. These traits were rendered the more important by the attitude of the Colonial Office to the main problems experienced by each Governor. Officials in Downing Street could not, and did not, assume a dominant position in the actual formulation of policy on the railway. This was simply because it was not an issue in which they had any real interest. It did not much matter to the Colonial Office what arrangements were made since the expense was to fall on the colonial rather than the Imperial Treasury. At the same time, officials were willing to undertake whatever was required of them by way of negotiations in London and the Secretary of State certainly wished to see the best possible terms secured for the colony. Since the Colonial Office had no direct interest in the question, officials were anxious that the wishes of the articulate members of the colonial population should be heard and heeded as it was the residents of the island who wanted and were to pay for the railway. Here, the system faltered a little because the only means by which information could be transmitted from the colony to the Colonial Office was through the medium of the Governor. On the railway issue, the Governor himself had very strong views and he threw his weight forcefully behind the project, in the hope that it could be completed during his tenure of office. Hence the views of those who opposed the scheme were not always given the emphasis which they deserved in despatches to London and Ward tried to explain away some opinions

contrary to his own as being those of people with no real interest in the future of the colony. Even MacCarthy's views were described as an attempt to win popularity or to illustrate the Colonial Secretary's importance to Ward. The Governor, undoubtedly, did not sufficiently stress the importance of the resolutions of the Legislative and Executive Councils when these were forwarded to England in August 1855.

Over the military question, on the contrary, the Colonial Office adopted a masterful attitude. This was because officials were obliged by pressures upon them from the Treasury and War Office, to impose policy rather than merely to act as a background check, as had been the case over the railway. The problems which the Colonial Office encountered in attempting to impose this policy indicate very clearly the difficulties of ruling from Downing Street. Not only was this unpopular in theory in the colony, but coincidences, such as the enforced departure of the Governor at a critical moment, could make a great difference to the presentation of policy.

Perhaps the most striking single feature to emerge in the Colonial Office during this period is the important role played by William Strachey, the precis writer. Although his post in the Office did not give him the authority to formulate general lines of policy, he was increasingly looked to for advice, as his knowledge of the colony increased. His application to the complex problems first of the railway, and later military expenditure, meant that he was virtually the decision-maker on these subjects in the Colonial Office. Whether he enjoyed a similar position with regard to other topics in which he specialised, such as the Newfoundland Fisheries, is a subject for future investigation.

The Secretaries of State, of course, exercised the ultimate power

over policy making, even if Strachey's general views were usually the major influencing factor. A key point here was the lack of consistency ensuing from the many changes in the tenure of this office around 1855. This was a vital time in the history of the railway and rapid changes in the holder of the Secretaryship helped to make Colonial Office policy appear weak and vacillating. Newcastle, for example, had a much more strict view of the terms which should be obtained from the Ceylon Railway Company than Labouchere, one of his successors. Similarly, Molesworth viewed the possibility of an export duty on coffee alone much more favourably than did Labouchere.

The Legislative Council was the body which brought official members of the government and members of the public together to debate matters of importance and to pass legislative measures. On neither the railway nor the military question, however, was there a significant divergence of opinion between the views of the officials and those of the unofficial members of the Council. On a free vote, as has been shown, MacCarthy opposed the Company scheme, which was supported by the Governor, as forcibly as did most of the unofficials. Later, over the increased military contribution, the undoubted leader of the group in opposition to this on the Legislative Council was the Colonial Secretary, W.C. Gibson.

The Legislative Council signally failed to exercise any real check on the actions of the Governor. Its opportunities for debate were too limited and the members too internally divided for this to be possible. When conditions for the construction of the railway were laid down by the Council in 1855, they were largely ignored because the Governor failed to emphasise their importance to the Colonial Office. It is

true that the Council was able to arrive at a decision as to whether or not the railway contract should be annulled, but that was a simple matter of saying yea or nay. The confusion which had occurred in 1859, when the future of the railway was placed before the Council and a Report and Resolutions were passed which were mutually contradictory, indicated the difficulties of allowing the Legislative Council a truly constructive role.

The degree of influence which the unofficials were able to exercise was minimal. Their great successes came in the early 1860s when they lent their support to the moves initiated by Gibson over military expenditure. They were able to express dissatisfaction with MacCarthy's Governorship, it is true, by the insertion of a new clause in the reply to O'Brien's Address in 1864, but this was possible only because of the absence from the Council on that day of certain of the official members. It was, furthermore, the action of a group of individuals which had clearly made no realistic appraisal of their own position. To alienate the official members in this way severely lessened the possibility of realising any constructive achievement over the military question. Finally, the very act of resignation symbolised a total lack of understanding of the constitutional system, for instead of bringing the administration to its knees, the Council merely continued throughout the session without the services of the unofficials and new members were later appointed.

The Planters' Association, though formed in only 1854, soon achieved a certain prominence by virtue of being one of the two major permanent organisations representing commercial opinion in the island. As such, it was consulted, particularly over the railway, to a far greater

degree than its size merited. It could never claim to represent the majority of planters in the Central Province but, because it was a permanent and organised body, it was easier for the government to consult with its leaders than to attempt to draw upon the views of individual planters.

The political importance of the Association, however, was limited because of the narrowness of its outlook. The members were generally concerned only with the planting industry and with those issues which had a direct bearing on their own prosperity. From the time of its foundation, the Association was divided between those who felt its energies should be concentrated exclusively on planting matters and those who were prepared to see it undertake a slightly wider role. Increasingly, the organisation became dominated by a small group, based in Kandy, who belonged to the first of these categories. Therefore, whilst the body had been fairly active in putting forward its views on the construction of the railway, even though these views were subject to fluctuations as planting conditions changed, over the military issue the Association had little to offer.

The appointment of MacCarthy as Governor pushed the Association from its favoured position, but its leaders, nevertheless, could not bring themselves to join the ranks of those critical of the constitutional system. These men were far too conservative to wish to help to bring about an increase in the unofficial representation on the Legislative Council, which might open the gates to increased numbers of Burghers, Tamils and Sinhalese. This was what they most feared. Instead, they harked back to what they saw as the golden age of Ward's Governorship during which, they felt, they had been accorded their rightful place in the Councils of the Governor.

The two major issues which have been examined have indicated that the administrative system did not always function as smoothly or as efficiently as might have been the case. In the light of what has been shown of the difficulties of reconciling the views of the agencies involved, and the very complexity of the problems encountered, the shortcomings of the system are surely less worthy of remark than the fact that anything constructive was ever achieved at all.

Appendix 1

The Doyne Affair

The decision by both the Company's Resident Engineer and the Agent in Ceylon to make private approaches to contractors was taken soon after the arrival of Beeston, the Agent, in the colony in February 1859. Beeston was soon aware of the lack of progress on the line, and, like Doyne, he came to blame the situation on the Company management in London. The two men decided the existing system of administration could never be made to work efficiently and the only hope for the future of the railway (and their own jobs) lay in turning the work over to a contractor. It is not clear at what stage Doyne realised the cost of the line would be so far in excess of Moorsom's estimate. Certainly, he gave no indication to the Governor until late April 1859 that his estimate would exceed £2,000,000. It seems probable, however, that Doyne's suspicions of how high his final estimate would be were another contributory factor to his wish to come to an arrangement with a contractor, and his estimate was known to include an allowance for a profit of fifteen to twenty per cent for a contractor. He may have feared that such a high estimate, coupled with the administrative difficulties already encountered would make it impossible for the Company to continue the project and so hoped that such a decision on the part of the Company would be forestalled by the revelation that a reputable contractor had already agreed to undertake the work.

Doyne, Beeston and Fitzgibbon all made approaches to different contractors, but it was the letter from Fitzgibbon to Ogilvie, a partner of Thomas Brassey, which caused the ensuing trouble for all three. The original letter written by Fitzgibbon was destroyed by Ogilvie but not before it had been seen by several persons. One of the men who

saw it later wrote of it to Gregory, 'The impression produced on my mind by this letter was that an unjustifiable job was being got up, that the prices of the Estimates were kept up unduly for a corrupt motive and that Mr. Fitzgibbon was fully aware of the jobbery and also bad faith to you and the Co. in secretly corresponding with a Contractor or he would not have made so certain of his dismissal should the fact of his having written the letter come to light'.[1] Another viewer described the general tenor of the letter as appearing 'to be a desire to prove to Mr. Ogilvie that the Company's servants in Ceylon wished to make arrangements with him for the Contract, more favourable than he would get through the Co.'s Rep. in England, and secresy [sic] in Mr. Ogilvie's enquiries was urged as necessary'.[2]

Fitzgibbon later made a statement to the Board of the Company in which he claimed that he had been informed by Doyne and Beeston that the Governor was aware of the approaches to the contractors and fully approved. He had done nothing more, he argued, than obey the orders of his superiors to contact Ogilvie, whom he already knew. He admitted, however, to having written that if the contents of the letter became public he would be dismissed and this indicates his awareness of the fact that the Board in London had not authorised the approaches. He also conceded that he had advised Brassey and Company to send their agent to Ceylon by a circuitous route, so that no-one would suspect that tenders had been invited.

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[1]Letter from T.O. Donaldson of the Dorset Railway Engineer's Office, Blandford, to Gregory, 14 January 1860. Reproduced in CO54/356 11 February.

[2]Letter from F.R. Window to Gregory, dated 26 January 1860, reproduced in CO54/356 11 January 1860.

The letter from Fitzgibbon did not remain confidential for long. It was shown first to Albinus Martin, Ogilvie's father-in-law, and then by him to his friend, Charles Gregory, the Company's Consulting Engineer, whom Martim assumed would be fully conversant with its contents. Gregory, having been shown the letter in confidence, was unable to inform the Board of its contents but instead advised them to ask for tenders themselves, in order to forestall Doyne's move. Ultimately, Gregory did inform the Board of his discovery, but the Board, in dispensing with Doyne's services, chose not to make public the reason behind their action. It was not until January 1860 that Doyne, hearing rumours that he was considered to have engaged in illicit communications with contractors, approached the Company. There followed a series of accusations and counter-accusations which faded into obscurity when a legal ruling was made forbidding Beeston to publish the contents of secret letters between himself and Anstruther, the Chairman of the Company, which he had claimed would throw further light on the situation.

The defence offered by Doyne and Beeston was simply that in making advances to contractors and encouraging Fitzgibbon to do so, they were doing no more than was authorised by their official instructions. It seems clear that this was not the case. There is little doubt the contracts envisaged by the Instructions were no more than minor local contracts for small earthworks. In any case, the same instructions clearly specified that the Board should be kept informed of all actions taken touching on the interests of the Company. This Doyne undoubtedly did not do. On 16 January 1860, the Board wrote to him asking why

his Reports contained no reference to his attempts to contact firms, but no satisfactory reply was ever received.[3]

Doyne claimed that he had acted within his powers and for the good of the Company and colony. He argued that he had wished to avoid a public advertisement for tenders which would inevitably attract the attention of disreputable contractors. Furthermore, he hoped that by his method, a firm could be found who would be willing to send out an agent to tender at their own expense, whereas any public advertisement for tenders would have to be accompanied by a statement of willingness on the part of the Company to pay expenses. This is a far from convincing argument. Had this been the case, there would have been no reason for Doyne not to disclose the contacts with Brassey and Company when the Company did publicly invite tenders in June 1859. Instead, at this time, he wrote to Gregory, in what can only be interpreted as an attempt to dissuade him from the idea of contractors, saying that in his view the time was not yet ripe for the employment of contractors. It is difficult to believe that any desire for the good of the Company or colony could have justified this deliberate deceit.

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[3] CO54/356 11 February, letter from Board to Doyne, written on 16 January.

Appendix 2

Agitation in London on the Railway Question

Agitation on the railway question was not confined to Ceylon. In London were found not only many representatives of mercantile houses with substantial interests in Ceylon but also a continuous transient population of planters and merchants home on leave from the colony. Many members of this latter group were as deeply involved in the outcome of the project as those who remained in Ceylon. The former were, potentially, a most important group, being permanently resident in London and being, in many cases, well-known figures in the commercial world. They had more opportunity of exercising influence with the Colonial Office than had individual planters. However, they were clearly a far from cohesive body, their interests in Ceylon varying considerably in size, and they were inevitably divided over many issues. Not only was considerable apathy exhibited by many over the Ceylon railway but there also existed a lack of leadership and mutual trust, inevitable amongst firms which might be considered rivals.

Christopher Elliott arrived in London in late 1855 and set out to arouse interest in the railway question and to provide the leadership which had previously been lacking. He was, of course, a staunch opponent of the Company scheme. He described the existing situation in a report for the Observer in February 1856: 'There is however, so much distrust of each other amongst them (Ceylon people) and so much indifference, that strange as it may appear - I seem to be the only neutral point around which they can meet and co-operate; and as they say themselves, when I am gone ... this great question upon which the prosperity or failure of the Colony depends - will ... be abandoned to

its fate.'[1] Elliott was able to remain in London until the end of March 1856, and during that time he used all his fire and enthusiasm to try to involve all those with interests in Ceylon in his campaign. Some indication of the amount of work involved is given in a letter which he wrote in March 1856 where he described how 'the labour and excitement have been so great that I seldom get to sleep before 3 or 4 o'clock in the morning.'[2]

It proved impossible, however, to organise any anti-Company party as strong as that which existed in Ceylon. Worries regarding labour, fares and tolls inevitably made less impact on mercantile men in London than those more immediately concerned with planting in Ceylon. Similarly, proximity to the directors of the Company and the fact that they were nearly all well-known figures in the London commercial and financial world, clearly made outright opposition to them more difficult. As time went by, it also became more apparent that the Colonial Office and Ceylon Railway Company were deeply involved in negotiations. It therefore became necessary for Elliott and his supporters to modify their opposition to the Company and endeavour rather to secure the best possible terms for the colony, than to oppose the Company scheme in its entirety. It was in this sense that Elliott's London campaign differed from the outright opposition of the Observer in Ceylon.

The first London meeting of those with interests in Ceylon was held in December 1855 and was attended largely by the uncommitted and by those hostile to the Company. A Minute of opinion signed by such

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[1] Observer, 28 February 1856.

[2] Observer, 12 March 1856 (Supplement), letter of 10 February.

influential names as Baring Brothers, J.M. Robertson, Arbuthnot, Latham and Company, and R.D. Gerard resulted and was presented to the Secretary of State.[3] The Address began by stating that the signators considered the best course of action would be for the Ceylon government to raise the money required for construction by loan, and to employ contractors to undertake the work. Having said this, the Address turned to the terms mooted with regard to the Ceylon Railway Company, pleading against a guarantee of over a £1,000,000 and emphasising the need to bind the Company to a specific cost and a definite time for completion of the work.

In the face of this opposition, the Company supporters were not idle, however; Hastie and Anstruther lunched with Labouchere on 22 January and just over a week later, on 30 January, the morning of the next general meeting about the railway, the Company published its official prospectus. This hasty move was not favourably viewed at the Colonial Office, but largely secured the Company's aim of frightening off other Companies which had been showing signs of interest in the project.

The meeting of 30 January was attended not only by those with reservations about the Company but also by many of its supporters, including the Company's Deputy Chairman, Philip Anstruther. Chaired by Viscount Torrington, the meeting appointed Elliott as its Secretary, thus achieving a combination which would have seemed out of the question only a few years previously. The general tenor of this meeting was favourable to the Company. By this time, Jolly had come round to

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[3] Observer, 14 January 1856.

the idea of Company construction and Anstruther stressed that the Company was intended to be little more than a means by which the colony might raise the necessary money. The meeting appointed a delegation to visit Labouchere with the object of acquiring up to date information on the attitude of the Colonial Office. It is apparent that of this five-man delegation, only two, Elliott and Hay Cameron, were firmly opposed to the scheme. The deputation met the Secretary of State on 18 February 1856, at which time Labouchere announced that he was still far from decided as to the best course to be pursued.

A third public meeting was held in late February. According to Elliott's account, the Ceylon proprietors at this gathering were completely outnumbered by Railway Company officials and those connected with the Oriental Bank which Elliott claimed was closely associated with the Company.[4] Many Company shareholders, including Cooper, the Company Secretary, claimed the right to vote and this request was granted by Elphinstone, who was in the Chair. When J.M. Robertson and Elliott put forward a resolution favouring a loan and the employment of a contractor, it was heavily defeated.

This, in effect, marked the end of Elliott's attempt to rally opposition in London against the Ceylon Railway Company. His motivation is open to some question. Whilst on the one hand, the consistency of his anti-Company stance is indisputable, it is unclear whether this was due to genuine belief, or whether he saw the railway as yet another cause over which he could rally dissidents against the Colonial government. This latter possibility seems unlikely, however,

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[4]Report in Observer, 31 March 1856.

both because of the nature of his activities and because they were concurrent with his application to become Principal Civil Medical Officer for the colony. In fact, his ultimate appointment to this post suggests that his days of direct anti-government activity had ceased.

There remains to be considered, nevertheless, his relationship with Jackson, the railway contractor who submitted a tender for the construction of the line, which was strongly supported by Elliott. The two men had originally made contact through an engineer employed by Jackson with whom Elliott travelled to England in 1855. This third party induced Jackson to submit a tender, and it was suggested by some in Colombo that Elliott stood to benefit considerably by his appointment as Jackson's manager if this tender were accepted. The tender related to the seventy miles of Drane's line and a precise sum, £809,000, was quoted, which, it was projected, would be paid in seven-year bonds at five per cent interest. Ward, however, criticised this tender as being based on insufficient information since Jackson had gained details only by telegraph. It is clear that, despite Elliott's support, this proposal was never seriously considered. Whether the strength of Elliott's opposition to the Ceylon Railway Company was increased by the fact that he may have stood to gain if Jackson's tender were accepted, is not clear. It is certain, however, that this does not account for his original opposition to the Company scheme.

Although Elliott's attempt to influence the Colonial Office against the Company scheme failed, the campaign which he mounted in London and the meetings which were held, may well have played a useful

part in securing for the colony more advantageous terms than might otherwise have been the case. Had no opponents of the Company raised their voices in London, the contract might have been even less favourable to the colony. Unfortunately, in the face of the Governor's support for the scheme, this opposition could achieve little.

Appendix 3

A. SIGNATURES TO PRO-COMPANY PETITIONS (from Observer 15 September 1856)

Name	Status (Manager or Owner)	Region (if known)
J. Clark	M	Allagalle
J. Tucker	O/M	Kaduganava
W.F. Scott	M	Lower Dimboola or Hunasgira
W. Parys	M	Kaduganava
E.R. Eager	O	Meda Mahanuwera
H.B. Ross Wylie pp. R.D. Gerard		
C. Morrison	O	Kornegalle
H. Robertson		
W. Turner	O/M	Meda Mahanuwera
J.B. Turner	M	
W. Bennet	Part-Owner	
H.D. Baird	M/Part-Owner	Doombera
A. Ingleton	M	Doombera
J. Brown	Part-Manager	Badulla
J. Smith	M	Doombera
D.L. Soutter	M	Doombera
J. Ingleton	Part-Owner	Doombera
J. MacDonald	M	Kotmalie
A. Hood	M	Dimboola
F.H. Palliser	O	Upper Dimboola
A. Hunter		

Name	Status (Manager or Owner)	Region (if known)
J.C. Bannister	O	
J. Pleaden		Lower Dimboola
J.W. Clark	M	
T. Wright	M	
J. Keir	M	Badulla
J. Crawford	M	Kotmalie
C.C. Hay	O	Kotmalie
C.W. Forbes	O	Pusilawa
D.A. Maitland	O	Ambegamoa

B LETTERS TO CAPTAIN BIRD AGAINST THE COMPANY SCHEME (from Observer 4 September 1856)

*C.J. Brown	
*J. Emerson	
*H. Price	
*W. Sabonadiere	
J. Northway	
A.C. Mortimer	Lower Hewahette area
H. Barren	
E. Waring	
J. Payne	
J. Taylor	
J. Scott	
C.F. Blacklaw	
*W. Duff	
D. Steward	
W. Fisher	
*J.F. McLeod	Kotmalie, Dimboola & Ambegamoa area
W. Enright	
W. MacLellan	
*Havilland Durand	
*S. Le Cocq	
*W. Grant	

*G.A. Cruwell	
*S.D. Thwaites	
W.H. Walters	
*L.C. Bird	Knuckles area
*A.F. Harper	
*B. Buxham	
T. Lee	
*J. Northmore	
*F.R. Sabonadiere	
*G. & M.B. Worms	
*J. Martin	
H. Towgood	
*J.L. Gordon	
*J.L. Fraser	
D. Bain	Pusilawa district
*G. Sheriff	
*J.T. Appleton	
*R. Haden	
*J. Segar	
C.E. Morris	
P.D. Millie	
T. Lyford	

(* denotes member of Planters' Association)

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Ceylon Times C 1204 1863 onwards

Trinity College, Cambridge

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